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Petrochemicals: Europe's blueprint for survival, Page 16

World news

UK ends tit-for-tat as Soviets expel six

Britain put an end to its confrontation with the Soviet Union after Moscow had expelled another six Britons in retaliation against the six Soviets ejected from the UK.

UK Prime Minister Margaret Thatcher said while on a visit to Egypt: "We shall not respond further to their wholly unjustified expulsions."

Moscow's action brought the number of diplomats, journalists, trade officials and businessmen expelled by both sides to 31 each. Britain initiated the moves a week ago by ordering 25 Soviets named by the Soviet KGB defector Oleg Gordievsky out of the country. Page 18

Two Greek civilians were charged in Athens with spying for Moscow and a naval officer is being held on suspicion of spying.

Falklands call

British Labour Party leader Neil Kinnock and Argentine President Raul Alfonsin issued a joint call in Paris for the re-establishment of diplomatic and commercial links between the two countries and for negotiations to resolve the Falklands dispute.

Spain joins CoCom

Spain is to join CoCom, the international committee which regulates exports of sensitive technology to potentially hostile countries. Nato countries and Japan are members.

Bolivian strike

Bolivian labour leaders began a hunger strike to protest against government austerity measures, increasing pressure on a new administration already hit by a two-week-old general stoppage.

Flights grounded

Striking French air traffic controllers grounded almost all flights to and from France in a protest over bonus payments.

Peru sacks generals

The Peruvian Government dismissed two more generals as part of an investigation into the killing of more than 70 civilians by security forces fighting Maoist guerrillas.

Angola 'raids'

Angola's Defence Ministry said South Africa had carried out two air raids on its forces, blunting a government drive against rebels. Page 3

Aircraft cleared

A spot check of Boeing 747 aircraft requested by U.S. aviation authorities after the Japan Air Lines crash that killed 520 people has found no safety problems.

Athens shooting

A gunman in Athens shot dead Michel Nomari, the Jordanian publisher of an Arabic-language magazine that had written of an attempted coup against Syria's President Hafez al-Assad.

U.S. accused

U.S. law professor Abram Cheyes, of Harvard Law School, said that evidence before the World Court in The Hague showed that Washington conceived, created and organised a mercenary force to overthrow the Nicaraguan Government. The U.S. refuses to attend the hearings. Page 5

Brandt goes east

Former West German Chancellor Willy Brandt, forced to resign 11 years ago when a communist agent was discovered on his staff, made a rare visit to East Berlin. Page 2

U.S. priest freed

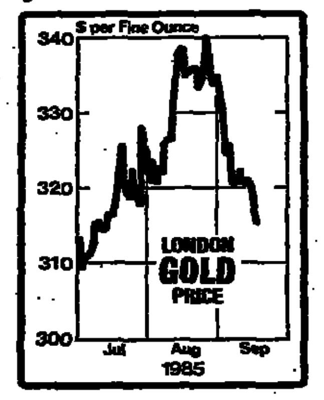
Benjamin Weir, an American Presbyterian minister held hostage in Lebanon for more than a year, has been released.

Business summary

Warburg launches stripped UK gilts

LONDON merchant bank S. G. Warburg successfully revived the zebra – zero-coupon Eurosterling bearer or registered accruing securities – and set it loose on the Eurobond market. The launch of bonds, which are backed by UK government securities, follows a similar but unsuccessful issue last month by Quadrex Securities. Page 18; Eurobonds, Page 19

THAILAND launched a Y50bn 10-year credit in the Euromarkets, a record borrowing for the Euroyen sector and the first deal of any size since Sweden's abortive attempt to raise Y100bn earlier this year. Page 19



GOLD In New York the December Comex settlement was $319.80. Gold fell $3 on the London bullion market, to close at $315.00. It also fell in Zurich to $316.65 ($317.45). Page 30

WALL STREET: The Dow Jones industrial average closed up 2.24 at 1,300.40. Page 38

TOKYO stocks fell across a broad front in cautious trading. The Nikkei-dow market average dropped 61.85 to 12,529.66. Page 38

LONDON equities and gilts remained in the doldrums. The FT Ordinary share index ended down 1.9 at 1,000.8. Page 38

DOLLAR ended in New York at DM 2.9153, SwFr 2.3955, FFr 8.8825 and Y242.85. It rose in London to DM 2.903 (DM 2.892), FFr 8.86 (FFr 8.81), SwFr 2.3880 (SwFr 2.38) and Y242.10 (Y241.65). On Bank of England figures the dollar's index rose to 140.6 from 140.0 Page 31

STERLING ended in New York at $1.3285. It fell 30 points in London to close at $1.336. It also fell to Y323.5 (Y323.75). It rose to DM 3.8775 (DM 3.875), FFr 11.8375 (FFr 11.80) and SwFr 3.19 (SwFr 3.1875). The pound's exchange rate index closed unchanged at 81.1. Page 31

TOKYO'S offshore financial market moved closer with publication of what the Ministry of Finance considers to be its likely parameters. Page 20

MALAYSIAN Government has launched a 1bn ringgit ($400m) investment fund to stimulate expansion in manufacturing, agriculture and tourism through concessionary loans. Page 20

A GROUP of 18 United Arab Emirates banks and international banks have gained more time to arrange a restructuring for the debt-laden Galadari trading empire of Dubai, following this week's adjournment of a National Bank of Abu Dhabi default suit. Page 20

AT&T, U.S. telecommunications group, said a Federal ruling which allows it to combine the operations of its long-distance telephone service and telecommunications equipment businesses will save $1bn a year. Page 19

COCKERILL-SAMBRE, Belgium's state-owned steel producer, has warned of delays in its recovery plans with expected first-half and year-end losses. Page 19

GENTING, Malaysian casino, hotel and plantation group, continues to enjoy strong earnings growth, with pre-tax profits for the first half to June rising 17 per cent to 98.4m ringgit ($39.8m). Page 20

Olivetti, Acorn and Thomson plan desk computer standard

BY PAUL BETTS IN PARIS

THOMSON, the French nationalised electronics and defence group, is joining Olivetti and Acorn, the UK personal computer company controlled by the Italian concern, in developing a personal computer for the education and general home market.

The three are expected to announce agreement today on the venture, which would be significant also because it would be an attempt to create a European standard for personal computers, to compete with Japanese and U.S. standards.

The agreement is at a preliminary stage and envisages setting up a working group to study areas of collaboration. It is expected to be followed swiftly by concrete steps to develop the new product. The companies also envisage pooling their research efforts in this field.

The deal follows months of discussions between Thomson and Olivetti, both of which have appered interested in collaborating in personal computers since Olivetti acquired Acorn. The continental European groups evidently hope to boost the marketing of the existing products and eventual joint products by linking forces in the competitive personal computer market.

Thomson has been searching for a large European partner to support its recent entry into the personal computer market.

The French company sought a link with Philips, but the Dutch multinational opted out last year, planning to follow the Japanese standard for personal computers.

The new agreement comes as Thomson is increasing its commitment to the personal computer market with the introduction of a new top of the line model called T09 for its current series of personal computers.

Despite the difficult market, Thomson's personal computer arm is making money, showing a small profit of FFr 10m ($1.13m) last year on sales of FFr 350m. The unit is expected to be profitable again this year with sales of about FFr 1bn.

Thomson has made a major effort in the educational sector of the personal computer market and is currently supplying most of the computers for the French Government's ambitious computers for schools programmes.

Jason Crisp in London writes: Standards do not yet exist for computers in the home and educational markets. Each manufacturer has its own operating system which means any program has to be specifically adapted to run on its computer.

This has meant the companies such as Commodore and Sinclair Research which achieve the highest sales are the ones for which the best programs are written. In turn, this reinforces the attractiveness of the product, making it increasingly difficult for other companies to enter the market.

To break this spiral, leading Japanese consumer electronics companies developed a standard (MSX) enabling each machine to run the same programs. The attempt flopped in both the U.S. and UK, however, because of delays in getting all the companies to agree the standard which meant the computers took longer to get to the market.

The situation is now more complicated as the borderline between the business and home computer becomes increasingly blurred. There are two de facto standards for business computers, both established in the U.S., which have gained dominance after a commercial struggle.

Educational authorities in several countries, including Britain, are considering adopting one of the proven business standards which would give them much greater freedom to purchase computers from a range of companies and avoid being locked into one supplier.

U.S. urges action over flow of arms secrets

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

SOVIET EFFORTS to collect and assimilate Western military technology are far greater than previously believed, and must be thwarted by more effective countermeasures, the Reagan Administration warned yesterday.

The call for increased Western vigilance came in a detailed Pentagon report on Soviet undercover methods of acquiring Western military secrets, complete with numerous examples of how Soviet weapons programmes had benefited from the effort.

The Pentagon dismissed suggestion that publication of the sensitive report would further jeopardise U.S.-Soviet relations just two months before the Geneva summit meeting between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet leader, in mid-November.

"We have no desire to throw cold water on the summit," said Mr Richard Perle, Assistant Defence Secretary for international security policy. It would have been "artificial" to suppress the report, and Moscow was obviously already fully aware of its contents, he added.

The report said that despite several decades of massive investment in its own research and development, there was little prospect that the Soviet Union could reduce its dependence on a wide variety of Western defence products and technology in the near future without allowing the technological gap to widen.

"Virtually every Soviet long and short-term research project for military systems – well over 4,000 in the late 1970s, and well over 5,000 in the early 1980s – is benefiting from the documents and hardware of at least a dozen Western countries," the report said.

The Soviet appetite for Western military technology would remain voracious, the report said. Moscow would continue to exploit any weaknesses in Western export controls as well as Western policy differences, and would "devote whatever resources and manpower are required to fulfil their most critical military collection requirements."

Western efforts to stem the flow had made the Soviet effort "more difficult and costly than at any time in the past," the report said. But the West should continue to strengthen its counter-measures, particularly by improving its knowledge of Soviet needs so as to draw up "meaningful and practical, multilateral export control lists."

About 90 per cent of the roughly 100,000 Western documents acquired each year under one of the Soviet collection programmes were unclassified, the report said. Soviet intelligence services and their East European "surrogates" probably provided Moscow with about 10,000 classified technology documents each year from the West.

In recent years, East European intelligence services had perhaps been more successful than Soviet intelligence in obtaining "priority defence technologies" in the U.S. and elsewhere, the report said. The Soviet need was greatest in electronics and communications, although Moscow had saved most roubles by using Western technology in the armour and electro-optic industry.

The report gave no overall figure for Soviet savings in research and development costs, although it said that at least 1.4bn roubles (about $2.2bn) had been saved on selected projects during the tenth Soviet five-year plan (1976-80).

Moscow condemns SDI stand, Page 2

Co-founder of Apple resigns

BY LOUISE KEHOE IN SAN FRANCISCO

MR STEVEN JOBS, one of the two founders of Apple Computer, the company which pioneered the personal computer market, has offered his resignation as chairman after a prolonged period of increasing strain with Mr John Sculley, the chief executive.

Mr Jobs was 21 when he helped to start Apple in a friend's California garage. Mr Steven Wozniak, the other co-founder and designer of the Apple II computer, left the company earlier this year.

The move followed Mr Jobs' announcement last week of plans to form a new company, understood to be an educational computer manufacturer. Apple is the leading supplier of computers to U.S. schools.

Relations with Apple appeared to have reached breaking point after Mr Jobs informed the company that he had hired five key Apple executives to join him in his new venture.

Mr Jobs, whose personal holdings in Apple were reckoned to be worth several hundred million dollars at the peak of the company's stock market popularity two years ago, brought Mr Sculley into the company from PepsiCo, the soft drinks group, to give it managerial expertise.

He has disposed of a substantial portion of his shares during the past few months since it became clear that Mr Sculley had got the upper hand in reshaping the group to face up to shrinking markets for its products and tougher competition.

Known as a mercurial manager, Mr Jobs ran Apple's Macintosh division until May when he was relieved of management responsibility by Mr Sculley.

Mr Jobs, now 30, asked the Apple board to accept his resignation immediately, but the company has not yet responded except to say that it is "evaluating what possible actions should be taken to assure protection of Apple's technology and assets."

Mr Jobs claims that he offered to resign last week, but that the board asked him to defer action. Apple directors then understood Mr Jobs' new venture to be an "education company," and were not aware of

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EEC's new funding plan 'omits Spain and Portugal'

By Quentin Peel in Brussels

EEC BUDGET ministers yesterday approved a Ecu 32bn ($24.8bn) draft budget for 1986, and immediately ran into angry criticism that they had failed to make allowance for Spain and Portugal, who take up full membership of the Community on January 1 1986.

They cut some Ecu 3bn from the proposals submitted by the European Commission for spending in the first year of the expanded 12-member Community, but none the less exceeded the spending ceiling of Ecu 29.7bn they imposed on themselves in the summer.

The ministers managed to trim the budget only by postponing any decision on how to cope with a backlog of commitments, particularly to the EEC social and regional funds, until after the European Parliament has given the document a first reading.

They left out any specific provision for Spain and Portugal from those funds, in spite of a plea by the two new member-states to make special allowances.

They cut back on the sum available for food aid to Third World countries, allowing no increase on the 1985 total. They also approved further cuts in spending on agricultural training and investment, on fisheries and on transport policies.

The hard-fought compromise, reached after almost 19 hours of talks in Luxembourg, split the 10 member-states, leaving Italy, Ireland and Greece opposed but lacking enough votes to block it.

The deciding question was seen as the need to restrain the European Parliament – the other legal arm of EEC budget drafting – from being able to increase the spending far beyond the guidelines of budgetary discipline agreed by the Ten.

To do so, the ministers decided to keep spending on policies outside the main budget field of agriculture to a maximum increase of 7.1 per cent – known as the maximum rate – thereby restricting members of the European Parliament (MEPs) to adding only half that amount when they debate it.

However, the outcome was given an angry reception not only by the parliament, but also by members of the Spanish and Portuguese delegations. They took part in the debate but did not have a vote.

M Jean-Pierre Cot, chairman of the parliament's budgetary committee, said: "The Council of Ministers is incorrigible. In 1985 it proposed a budget for 10 months instead of 12. In 1986 it is proposing a budget for 10 member-states instead of 12."

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Commission steel quotas, Page 2

French budget entails cut in real spending

BY PAUL BETTS IN PARIS

THE FRENCH Socialist Government yesterday approved one of the country's toughest post-war budgets. A real cut in public spending excluding debt charges, is envisaged for the first time.

The budget is the last to be presented by the Socialists in the present parliament and is thus likely to be implemented by the right-wing opposition, which is expected to win next year's general election.

The basic strategy behind the budget is to use cuts in public spending to make way for small reductions in personal and corporate taxes while leaving the budget deficit at FFr 145bn ($16.4bn) or 3 per cent of gross domestic product (GDP).

In political terms the budget steals some of the opposition's programme at the same time as enabling the Socialists to pursue their disinflationary policies and show a better performance on lowering inflation than the right previously achieved.

Public spending will rise for the first time over the FFr 1,000bn mark in next year's budget. If debt charges are not included, however, the increase in public spending will be held down to 2.8 per cent against a forecast average inflation rate of 3.4 per cent next year.

GDP is expected to grow by 6.1 per cent in nominal terms and 2.1 per cent in real terms.

MAIN ECONOMIC ASSUMPTIONS

	1985	1986
	(per cent)	
GDP	+1.3	+2.1
Household consumption	+1.3	+1.6
Corporate investment	+1.8	+4
Exports	+3	+3.4
Imports	+2.7	+3.7
Consumer prices at year-end	+4.5-5	+2.9
Average rate of consumer prices	+5.6	+3.4
Purchasing power	+1.1	+1.3
Company profit margins	27.6	28.6
	(in FFr billion)	
Trade balance	−12-15	+5
Balance of payments	0-+5	+10-15
Dollar/franc exchange rate	9.10	8.50

The Government has decided to cut income taxes by 3 per cent and corporate taxes by 5 per cent if profits are reinvested. Overall, the tax burden will have come down by 1 per cent since 1984, after steady increases in recent years M Pierre

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Stock exchange warned, Page 2

Hernu takes tough line on Greenpeace

BY DAVID HOUSEGO IN PARIS

M CHARLES HERNU, the French Defence Minister, yesterday strongly denounced allegations that the French foreign intelligence services had been responsible for the sinking of the Greenpeace ship Rainbow Warrior, in New Zealand in July.

In a prepared statement read before the television cameras, M Hernu expressed his indignation at what he described as a "campaign of calumny" against the French armed forces. He implied that the accusations carried by Le Monde on Tuesday were linked to a wider attempt to undermine France's nuclear deterrent.

M Hernu's statement, his second in two days, was aimed at dispelling accusations that the Rainbow Warrior had been sunk by two French divers attached to the French secret services.

Le Monde also said that M Hernu and three of France's most senior military officers Gen Jeannou Lacaze, the former armed forces chief of staff; General Jean Saulnier, his successor; and Admiral Pierre Lacoste, the head of the French foreign intelligence service (DGSE) – had lied in testimony they gave to the official inquiry into the Greenpeace affair.

After reading his statement yesterday, M Hernu declined to take questions. He also did not reply to allegations that the official inquiry conducted by M Bernard Tricot was misled.

He said he knew that there were "murky zones" in the Greenpeace affair and declared that he was doing his best to shed light on them. He offered no explanation, however, as to why the Government

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Moscow condemns Reagan stand on SDI

BY PATRICK COCKBURN IN MOSCOW AND REGINALD DALE IN WASHINGTON

THE REFUSAL by President Ronald Reagan to negotiate a halt to the U.S. Strategic Defence Initiative (SDI) research programme has again come under strong attack from the Soviet Union.

In its first reaction to Mr Reagan's reaffirmation on Tuesday of his position on SDI research, the Soviet news agency Tass said the President implied that the Pentagon was already planning to test components of SDI, the so-called Star Wars system.

Mr Mikhail Gorbachev, the Soviet leader, has said that unless there are negotiations on preventing the development of space weapons, there can be no discussion on limiting offensive nuclear weapons at his summit meeting with Mr Reagan in Geneva in November.

Tass noted that President Reagan had given his full support to the U.S. anti-satellite weapons tests, the first of which was carried out against a real target last week.

Soviet commentators and senior officials have denounced the test, the allegations that "spy dust" was being used on U.S. diplomats in Moscow and the expulsion from London of 31 Soviet citizens for espionage as part of a concerted effort "to poison the atmosphere" before the Geneva summit.

By publicly reasserting that Star Wars is not a "bargaining chip," Mr Reagan appears to have sharply reduced the chances of a major agreement on arms control at the summit.

His determination to brook no restraints on his experimental programme, which he repeated at Tuesday night's news conference, is by no means new. Since its inception, he has regarded that programme as a visionary plan to rid the world of nuclear weapons, which is far too epoch-making to be frittered away in negotiations.

The latest reaffirmation of his position, however, comes at a time when his Administration has started considering whether to show some flexibility on the programme in the interests of reaching a deal with Moscow at the summit. In this debate, Mr Reagan has thus now come firmly down on the side of those, such as Mr Caspar Weinberger, the Defence Secretary, who insist that there must be no such deal.

While Mr Reagan insisted that there would still be plenty of other things to talk about at the summit, it is far from clear that Mr Gorbachev will agree with him. Mr Gorbachev has made it plain that he regards Star Wars restraint as the overriding priority for the summit, and has offered to produce plans for dramatic reductions offensive nuclear weapons as soon as Mr Reagan concedes on Star Wars.

U.S. officials had been hoping that the scope of such proposals would be outlined by Mr Eduard Shevardnadze, the Soviet Foreign Minister, when he visits Washington for talks with Mr Reagan and Mr George Shultz, the Secretary of State, at the end of next week.

Mr Reagan, however, now appears to have rejected such a scenario in advance. The Star Wars research and development programme, he said, was too important for the world to "trade off for a different number of nuclear missiles when there are already more than enough to blow both countries out of the world."

The President also rejected the approach suggested by Mr Gorbachev in his recent interview with Time Magazine, that scientific research on the weapons could continue while "field tests" and "the designing stage" should be limited. Mr Reagan said that he regarded testing and development as a legitimate part of research.

Mr Reagan repeated that he would "stop short of deployment" and talk to the Soviet Union and other countries about how the new weapons could be used. But his Administration has made it quite clear for a long time that the aim of such talks would not be to negotiate restraints on the new weapons but to discuss how best to introduce them.

THE SOVIET Communist party newspaper Pravda yesterday urged West Germany to open talks on a joint proposal by East Germany and Czechoslovakia to create a Central European zone free of chemical weapons, Reuter reports from Moscow. It said the U.S. had supplied thousands of tonnes of chemical agents to West Germany and regarded them as first-strike weapons.

Last week, the governments in East Berlin and Prague wrote to Chancellor Helmut Kohl offering tripartite talks on the issue. Herr Kohl welcomed the letter but said he would continue to back Nato proposals for a worldwide ban with clear verification procedures.

U.S. looks for firm Soviet proposals at Geneva talks

BY WILLIAM DULLFORCE IN GENEVA

THE UNITED STATES is looking to the Soviet Union for firm proposals on arms reductions in the third round of nuclear weapons talks which starts here today.

With just two months before the summit meeting here between President Ronald Reagan and Mr Mikhail Gorbachev, the Soviet team will be pressed to clarify the offers of large cuts in nuclear weapons hinted at by Mr Gorbachev in his interview with Time Magazine and by Soviet diplomats in private conversations.

No time limit has been set for the third round, indicating that the two sides expect negotiations to continue up to the summit on November 19 and that the teams will be in place in Geneva when the two leaders meet. Schedules of seven to eight weeks were agreed for the first two rounds.

They ended in deadlock. The Soviet Union insisted that detailed negotiations on reducing nuclear weaponry could not start until the U.S. agreed to halt its Strategic Defence Initiative (SDI), the so-called "Star Wars" programme. The U.S. has refused to give way to this demand.

The negotiations have been conducted since last January in three groups. One deals with space weapons and defensive missiles, the second covers strategic nuclear weapons, the third handles intermediate nuclear forces, such as the Soviet SS20s and the U.S. Pershing and cruise missiles deployed in Europe.

The broad shape of what happens during the first two rounds has since emerged. The U.S. proposed that the number of strategic nuclear warheads be cut to around 5,000 on each side from around 8,500. The Soviet negotiators agreed in principle but made any negotiation on detail contingent on the U.S. abandoning its "space strike arms."

They also made consideration of the second U.S. proopsal, to discard all intermediate nuclear weapon systems, conditional on the cancellation of the SDI.

Remarks made by Mr Gorbachev and Soviet diplomats since the second round ended on July 16 in no way suggest that Moscow had abandoned its goal of halting the Star Wars programme.

Moscow, on the other hand, has heavily emphasised its readiness to negotiate deep cuts in nuclear weapons. The figures hinted at would correspond fairly well with the U.S. proposal for strategic missile cuts. Washington has dismissed these hints as propaganda.

Mr Bernard Kalb, the State Department spokesman, said earlier this month that if the positions outlined by Moscow are to be taken seriously, "they must be addressed directly to the table in Geneva, and seen and offered as proposals."

The Soviet negotiators are still seeking U.S. concessions on "the key issue of non-militarisation of space," as Mr Viktor Karpov, their leader, indicated on his return to Geneva on Tuesday.

The U.S. has said anything can be discussed in Geneva but both Mr Reagan and Mr Caspar Weinberger, the Defence Secretary, have recently repeated that the SDI is not "a bargaining chip."

UK suggests six industrial forums to boost Eureka

BY RUPERT CORNWELL IN BONN

BRITAIN IS suggesting the establishment of six broad industrial "forums," each dealing with a specified high technology, as a means of securing the most market-oriented approach possible to the planned Eureka programme for high-tech collaboration in Europe.

London will next month host a conference of financiers and industrialists to see how Europe's financial markets can best back development projects. The British Government believes these should be funded as much as possible from the private sector with as little direct State support as is practical.

These twin proposals are contained in a working paper submitted to a preparatory session here, which ends today, of senior officials from the 17 countries which endorsed the Eureka programme in Paris last July. The hope is that the meeting will prepare a draft report, to be further refined by a second meeting next month.

This, in turn, will open the way for a successful formal send-off for Eureka — whose future method of functioning and funding remains obscure — at a ministerial meeting in Hanover in November.

Thus far, only France, with the contribution of FFr 1bn (£90m) announced by President Mitterrand at the July gathering, has formally pledged financial backing to the scheme. The Bonn Government, has denied reports that it has allocated specific resources to Eureka, while Britain believes that official support should primarily consist of removing barriers to the commercial success of individual projects.

These barriers, in whose dismantlement the Brussels Commission will have a key part to play, include agreement on common standards and the creation of a genuine single European industrial market, especially in public purchasing.

Beyond that, Britain argues that industrialists, and not officialdom, should have the dominant hand in choosing and carrying out Eureka projects.

To qualify, a venture should have a minimum of two "core" participants from at least two European countries, while companies involved must commit money of their own to the venture.

The six areas for collaboration, provisionally sketched out by the UK after discussion with British industry, cover electronic products, high-tech systems for homes and offices, computing products, transportation, advanced manufacturing including robotics and lasers, and biotechnology products.

Bonn coalition at odds over South African links

BY RUPERT CORNWELL IN BONN

THE CENTRE-RIGHT coalition Government of Chancellor Helmut Kohl was thrown into disarray yesterday over plans to break off the country's existing cultural and sporting agreement with South Africa.

The Government spokesman confirmed last night that the West German embassy in Pretoria had already set the diplomatic wheels in motion to abrogate the existing agreement dating from 1962, with the aim of replacing it with another embracing blacks as well as whites in South Africa.

Less important than the innocuous substance of the measure, taken in accord with Bonn's EEC partners, is the row it has provoked between the Chancellor's Christian Democrats (CDU) and the liberal Free Democrats (FDP) on the one hand and the arch-conservative Christian Social Union (CSU) of Herr Franz Josef Strauss on the other.

Four CSU ministers took the virtually unprecedented step at yesterday's Cabinet meeting of formally tabling their refusal to accept that the decision to scrap the present accord had been approved by the Cabinet last week, as both the Chancellor and Herr Hans-Dietrich Genscher, the FDP Foreign Minister, insist.

The answer to the argument itself hinges mainly on the semantics of Cabinet procedure but the way in which a comparatively trivial dispute has been magnified is proof of the continued inability of Herr Kohl to hold his coalition in line and of the lengths to which a jealous CSU will go to attack Herr Genscher, who subscribes to the Community agreement.

Herr Strauss, a constant and sharp-tongued critic of the foreign minister, yesterday described the South African policy as a "touchstone" for the credibility of the Government and too important to be the object of "cheap domestic political manoeuvring."

Commission makes scant change in steel quotas

BY PAUL CHEESERIGHT IN BRUSSELS

DEMAND FOR steel in the last quarter of this year is expected to stay broadly at the level of the summer months, prompting the European Commission to set production quotas for EEC steelmakers little changed from the third quarter.

Following talks with the industry, the Commission yesterday raised the quotas slightly for some flat products, but reduced them slightly for long products.

The quota levels are now all running beneath those set at the beginning of the year, pointing up the fragile nature of recovery in the industry as it prepares for some relaxation of market controls at the start of 1986.

Production quotas and minimum prices are set by the Commission as part of the plan to restructure the industry. All controls should come off at the end of this year according to the political targets, but there is expected to be a phasing-out period.

Industry analysts have noted that fourth quarter orders have been coming in at a relatively slow rate within the EEC after the summer holidays, but that prices generally have been holding steady.

In the early part of the year, the EEC steel industry was gaining some benefit from export sales, but latterly conditions have become increasingly difficult as competition from South-East Asian producers has mounted.

EEC STEEL PRODUCTION QUOTAS

('000 tonnes)

	1st qtr 1985	2nd qtr 1985	3rd qtr 1985	4th qtr 1985
Hot-rolled coils	5,426	4,328	4,111	3,898
Cold-rolled sheet	3,814	3,711	3,442	3,332
Galvanised sheet	928	936	877	866
Other coated flat products	883	829	759	779
Reversing mill plate	1,279	1,300	1,277	1,313
Wide beams, sections	1,169	1,122	1,062	1,094
Wire rods	2,889	2,570	2,570	2,517
Reinforcing bars	1,857	1,768	1,737	1,769
Merchant bars	2,380	2,199	2,167	2,127

Brandt visits E. Berlin

EAST BERLIN – Former West German Chancellor Willy Brandt, who resigned in 1974 after his aide was exposed as a communist agent, arrived in East Berlin yesterday against the background of another East-West German spy scandal.

The opposition Social Democrat (SPD) party chairman will receive a state welcome when his car crosses the fortified wall from West to East Berlin.

He was later expected to walk along the central Unter den Linden Avenue, but strict security precautions were being taken to avoid public demonstrations reminiscent of his last visit to East Germany in 1970. On that occasion crowds gathered in Erfurt cheering him and chanting "Willy, Willy."

A meeting with communist leader Erich Honecker is scheduled for today.

Herr Brandt's three-day visit follows the announcement in Bonn that a secretary in Chancellor Helmut Kohl's office had fled to East Germany with her husband.

The news added further fuel to a scandal sparked by the defection here of top counter-espionage agent Hans Joachim Tiedge last month.

Herr Brandt himself resigned as Chancellor after the arrest of his personal aide, Guenter Guillanme.

Guillaume confessed to spying for East Germany and served six years of a 13-year jail sentence before being released in an East-West swap.

Western diplomats said the current espionage affair was unlikely to hinder Herr Brandt's talks with East German leaders.

They said the former Chancellor, whose Ostpolitik heralded the beginning of East-West detente in the 1970s, would probably want to discuss disarmament issues and human rights. Bonn is currently pressing East Berlin to allow more East Germans to visit relatives in the West.

Arms issues could produce several points of agreement though Herr Brandt will clearly be eager to avoid accusations of undermining Western alliance policy.

The SPD and the East German Communist Party recently agreed a joint document proposing a chemical weapons free zone in central Europe as a first step to a total ban.

The SPD has also condemned deployment of U.S. medium-range missiles in West Germany.

Herr Brandt has made it clear he is not empowered to conduct any negotiations on behalf of Bonn, · Reuter

Spanish opposition tries to block poll on Nato

BY TOM BURNS IN MADRID

SPAIN'S CONSERVATIVE oposition has warned Prime Minister Felipe Gonzalez not to expect a bipartisan platform if he insists on holding a referendum on whether the country should stay in Nato.

The proposed boycott by Conservatives, who fulsomely support Nato alignment, deals a considerable blow to Sr Gonzalez who has recently reiterated, together with other Socialist leaders, that the plebiscite will be held early next year, in accordance with an election pledge.

Sr Oscar Alzaga, who heads the Christian Democrat wing of Coalicion Popular, the opposition coalition led by Sr Manuel Fraga Iribarne, was reported yesterday as saying that the Government could not count on his supporters, either at an individual or at a collective level, if it went ahead with the referendum.

The statement was a direct challenge to the government as its hopes for gaining a majority in favour of Nato are dependent on a strong turnout by non-Socialist voters.

The Prime Minister, who as opposition leader was strongly against entry into the alliance, has changed his mind on the issue since coming to power but his position has scarce support among the Socialist rank and file.

Sr Alzaga's remarks echoed others by influential Conservatives who argue that a boycott is the best way of compelling Sr Gonzalez not to hold the referendum and thereby of ensuring continued Nato membership. Opinion polls in the past months have repeatedly shown an inbuilt majority in favour of withdrawal from Nato.

Government officials say the referendum is likely to be held in March.

Fires sweep vast areas of Portugal's woodlands

BY DIANA SMITH IN LISBON

VAST AREAS in central and northern Portugal have been declared calamity zones in the wake of forest fires that since July have destroyed 100,000 hectares of woodland.

A fire still raging over 26km in the Marao Hills near the university city of Coimbra has forced hundreds of small farmers and villagers to flee their burning homes.

The Portuguese Government has now allocated Es300m ($1.8m) emergency funds to help the homeless and to set up more fire-spotting posts and acquire more fire-fighting equipment for the forestry services.

Last week, 14 young voluntary, unpaid firemen suffocated in a forest fire in the centre of the country. A public outcry arose at the deficient conditions under which the nation's thousands of voluntary fireman have to work.

For 9m hectares of forest, Portugal has only 110 firespotting posts.

Portugal's important pulp and furniture industries will be affected by this year's particularly serious fires. In a month, more acreage has been destroyed by forest fires than in the entire year of 1984.

Three months of exceptionally hot, dry weather have helped the work of arsonists, some of whom have been caught shortly after setting fires and have confessed to being in the pay of unscrupulous timber merchants who can profitably sell singed wood.

Each year, protests mount at the lack of official support for Portugal's forestry services. One tenth of the total area of Portugal is covered by forests.

A damp 1984 summer and a reduced number of fires caused the authorities to pay less urgent attention to the problem, but this year's parched summer has once again exposed the dramatic shortcomings of the forestry and fire-fighting services.

The drama is illustrated nightly by spectacular pictures on television news programmes: It has also become a major issue in the campaign for the October 6 general election – as an example of what critics call the negligence of the Government.

● Sr Mario Soares, the Prime Minister, said 79 people had been detained on suspicion of starting forest fires in recent weeks, and that police activitiy would be stepped up to prevent arson, AP reports from Lisbon.

He told reporters that the national forest service estimated late on Tuesday that 25 large forest fires detected on Sunday and Monday were still burning.

Eighteen people, including 14 firefighters, have died in fires this year, the forest service said. Much of the tinder-dry countryside has been sweltering in temperatures as high as 38C (100F) since last Friday.

Banks set for Ecu clearing system

By Peter Montagnon, Euromarkets Correspondent

THE Bank for International Settlements is set to approve the formation of a clearing system for private banking transactions denominated in Ecus when its board meets next in Basle on November 12.

This follows the formation in Paris this week of an association of 18 leading commercial banks which would work with the BIS in operating the clearing system for Ecu transactions.

Ecus are the currency unit of the EEC and are a composite of the currencies of individual member states weighted according to their share in Community trade. Bankers believe the formation of a clearing system will give a major boost to the UK of the Ecu in private dealings.

As one of its first actions, the assoication has agreed on proposals for the scheme which are now due to be considered by the BIS board.

As a further step forward, the Brussels-based Society for Worldwide International Financial Telecommunication (Swift) has also this month undertaken to develop the computer programmes necessary for it to net out transactions in the clearing system.

This and the formation of the association itself fulfil two of the main conditions set by the BIS for agreeing to participate in the system by operating accounts in Ecus for each individual clearing bank.

But the time taken to develop and test the Swift computer programmes means that the system cannot become operational for about another year, bankers said yesterday.

Meanwhile, clearing will continue to be carried out by the five banks—Kredietbank and Generale Bank of Brussels, Lloyds Bank of London, Credit Lyonnais of Paris and Kredietbank Luxembourgeoise — which already undertaken such business.

They will work closely with Swift on the technical side and will be joined as clearers from November 1 by two other institutions: Banque Bruxelles Lambert and Institute Bancario San Paoli di Torino.

Bankers believe the system itself will respond to the needs of the marketplace where private transactions in Ecus are growing rapidly.

"At Credit Lyonnais the volume processed through the other clearing banks has doubled in the last six months," says M Dominique Rambure, a senior executive of the French bank who has been elected chairman of the newly formed Ecu Banking Association.

Further official encouragement for the clearing system has come from expectations that the European Investment Bank will join the association, though it is not expected to clear Ecu business in competition with the other clearers.

These are to be: Algemene Bank Nederland, Allied Irish, Banca Commerciale Italiana, Banca Nazionale del Lavoro, Banque Internationale de Luxembourg, Banque Nationale de Paris, Caisse d'Epargne (Luxembourg), Credit Agricole, Deutsche Bank, Morgan Guaranty and Société Generale.

Other banks may join the clearing system eventually although the BIS has set a maximum limit of 30 for the time being.

Women's retirement before men 'breaks Community laws'

BY ROBIN PAULEY IN LONDON

PUBLIC authorities which require women to retire at an earlier age than men breach an EEC directive, the European Court's Advocate-General has found.

His opinion, delivered yesterday, is likely to be endorsed by the European Court when it considers its judgment around the end of the year on a case brought by a British health worker backed by the UK's Equal Opportunities Commission.

The result, especially if a favourable European Court decision triggers a series of similar cases without prompting UK Government action, could be a European Commission complaint to Britain about its failure to abide by EEC rules. In addition, the Luxembourg-based court has the power to fine individual offenders. The British Government usually tries to comply with European Court rulings.

The case was brought by Miss Helen Marshall, now 67, a senior dietician employed by Southampton and South West Hampshire Health Authority in the UK which wanted her to retire against her wishes when she turned 60. She was allowed to stay on until she was 62 in 1980 but then forced to retire, although a man holding the same position would have been allowed to work until he was 65.

An industrial tribunal dismissed her case but, backed by the Equal Opportunities Commission, she fought it up to the British Appeal Court, which referred the case to Luxembourg.

Sir Gordon Slynn, the Advocate-General, said that the 1976 EEC directive, which was not being followed by four other EEC countries as well as Britain, meant that women were not to be penalised in the length of their working life just because they became eligible for a pension earlier than men.

"For an employer to dismiss an employee having passed her 60th birthday on the grounds only that she is a woman is discrimination."

He added, however, that in his view the directive applied to the public sector and was not necessarily applicable "horizontally to the private sector," although there was some confusion last night as to why different rules of equality apply in public and private sectors.

The finding affects equal opportunity and sex discrimination but not pensions. A separate EEC directive allows member states to discriminate between pension rights for men and women so there is no question of the British Government having to revise the age at which a state pension becomes payable – 65 for men and 60 for women.

Although the ruling does not affect pensions, the Equal Opportunities Commission last night urged the Government to consider having the same pension age for men and women and leave it up to the individual whether to work beyond it.

The Employment Department in London said last night that the judgment would have to be studied carefully before the implications for equal opportunity and employment conditions were clear.

Worldwide de-regulation a threat to Paris bourse

BY DAVID MARSH IN PARIS

WORLDWIDE financial market de-regulation is confronting the Paris bourse with "a problem of survival," according to M Daniel Lebegue, director of the French Treasury.

In one of the frankest explanations yet from a senior French official of the reasons for this year's tide of liberalisation measures from the Finance Ministry, M Lebegue said the Government was trying to reinforce Paris as a financial centre.

M Lebegue made his comments to bankers at the opening here of a branch of Amsterdam Rotterdam bank. Among the liberalisation moves made this year are efforts to link short and longer term financial markets and the introduction of futures and options dealing. The Government has also taken steps to increase competition between bankers and stockbrokers and is allowing company treasurers to tap the short term money markets directly through issues of commercial paper.

Although the Government has lifted some minor exchange controls, it is cautious about going further. M Lebegue classified as "disagreeable" the exchange premium system which penalises French residents' purchases of foreign securities, but said it would be removed only when the balance of payments performance allowed.

He also said that the trend towards controlling money supply through interest rates rather than through quantitative controls, was inescapable. This would involve the Bank of France intervening on the money market in a similar fashion to the U.S. and Britain.

Even though France formally scrapped its old system of credit ceilings at the end of last year, the new monetary system contains some element of quantitative control.

Austrian budget deficit set to grow next year

BY PATRICK BLUM IN VIENNA

THE AUSTRIAN budget deficit is set to grow further next year despite measures to curtail spending, Dr Franz Vranitzky, the Finance Minister, said this week.

The gross budget deficit is expected to grow to about AS 105bn ($5.1bn) next year compared with an expected AS 95bn–100bn for this year.

Initially the 1985 budget outlined expenditure of AS463bn and revenues of AS 369bn resulting in a AS 94bn budget deficit, but a slightly higher deficit is now expected.

Dr Vranitzky said he expected that the 1986 net deficit – gross deficit less debt redemptions – would represent 4.6 per cent to 4.8 per cent of the Gross Domestic Product, a slight increase in the 4.4 per cent expected for this year but lower than the 5.4 per cent recorded in 1983.

He did not say how much the next deficit would be but independent forecasters suggest that it will run at about AS 66bn, up slightly from the AS 60bn expected for 1985.

During negotiations that went on throughout the summer the Finance Minister told ministries to find ways to cut their overall expenditure by 5 per cent to 10 per cent, hoping that this would deter excessive additional demands.

Dublin selects U.S.-designed DBS satellite

By Our Dublin Correspondent

THE IRISH Government has chosen a satellite designed by the U.S. Hughes Communications to supply a direct broadcasting system (DBS). Programmes from the satellite will be receivable in the whole of the British Isles and parts of northern Europe.

The choice of the Atlantic Satellites consortium was something of a surprise since a rival group, Westsat, which included the Irish Broadcasting service, RTE and Allied Irish Banks, had been favourite.

In the event the Irish Government appears to have been worried at the possible losses which might be incurred by RTE if the project was not a commercial success. A final cost for the satellite, which is due to be operational in 3½ years, could be I£100m ($108m).

Atlantic Satellite is headed by Mr James Stafford, an Irish businessman. The experience of Hughes Communications in the manufacture of satellites appears to have swung the decision in its favour.

The Irish market could not support a DBS system on its own but the potential audience is reckoned to be almost 100m people and this is the attraction of the system.

Mr Stafford has not made clear where he will acquire programming for the satellite

Propaganda war for miners nears climax

BY IVO DAWNAY IN BRUSSELS

A DISCREET but concerted struggle to win the hearts and minds of trade unions of miners and energy workers throughout the world is nearing its climax this week in a flurry of letters and telexes from international union headquarters around Europe.

The propaganda war stems from the efforts of Mr Arthur Scargill, the British miners' president, to set up an international miners' union federation with affiliates from both the Eastern and Western power blocs.

The first meeting of the International Federation of Mining and Energy Workers is due to take place at a congress in Paris this weekend. Letters from the British National Union of Mineworkers' Sheffield headquarters have been dispatched world-wide to invite fellow organisations to attend.

In Brussels, officials of the Miners' International Federation, an autonomous affiliate to the main Western union centre, the International Conferation of Free Trades Unions (ICFTU), have been working to ensure there are no defections by its member unions.

Moreover, in Paris, Force Ouvriere (FO), another ICFTU affiliate, has written to President François Mitterrand demanding that any attempt by the new federation to set up a permanent secretariat in the French capital will be blocked.

In 1950, the French Government published a decree banning the World Federation of Trade Unions, (WFTU), the main Soviet-bloc union centre, from operating in Paris. Force Ouvriere fears that the WFTU's mining unions are certain to join the new federation in an attempt to move their organisation from Warsaw to France, thereby acquiring a level of international respectability it does not currently enjoy.

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Middle East peace talks urgent, says Thatcher

By Roger Matthews in Amman

MRS MARGARET THATCHER, the British Prime Minister, arrived in Jordan last night having warned that there could be "acute difficulties" for King Hussein if his Middle East peace initiative was abruptly terminated.

She went immediately to meet the King, having praised him for the courage he had shown in the steps towards peace. At a banquet given by the Jordanian monarch, Mrs Thatcher stressed that peace could not be achieved "if large numbers of the people in the occupied territories are denied the possibility of living under a system and a Government" that they could trust.

She said that there had to be a fair settlement which "takes into account the legitimate rights of all the people and states in the area, including, of course, the Palestinians." The Prime Minister is clearly worried, however, that time is running out for King Hussein's peace plan. "There are only a few months left to get the first stage off the ground," she said before leaving Egypt.

King Hussein launched his initiative last February, in conjunction with Mr Yassir Arafat, chairman of the Palestine Liberation Organisation (PLO). It envisages Israeli withdrawal from and Palestinian self determination on the West Bank and Gaza Strip in confederation with Jordan. The first step, is for a joint Jordanian-Palestinian delegation to hold talks with the U.S. before moving onto negotiations with Israel.

Mrs Thatcher suggested earlier that the delay in holding this initial meeting must have been in part due to President Ronald Reagan's illness. However the U.S. has also rejected a number of the Palestinian delegates proposed by Jordan because of their association with the PLO.

Mrs Thatcher will also be seeking in her talks today with King Hussein a modification of his demand for an international peace conference under United Nations auspices. She thought that if King Hussein's plan won the backing of the European Community, together with the U.S. and moderate Arab states, this might be a sufficient international framework for him.

The urgency of the Prime Minister's task was underlined earlier this week when Jordanian and Syrian officials met in Saudi Arabia, for reconciliation talks. Syria is totally opposed to King Hussein's initiative, and has repeatedly stated that it is doomed to failure.

Second hearing in Bahrain bank case closed

By Mary Frings, recently in Bahrain

THE SECOND hearing in Bahrain yesterday of a case against Mr Hussain Najadi, the former chairman and chief executive of the Arab Asian banking group, was closed after less than 10 minutes due to the resignation of his lawyer.

The lawyer's claim that he had not been given access to his client or to the documents on which the prosecution case is based, is now to be examined by a higher court within the next few days.

It is alleged that Mr Najadi has not seen his lawyer while he has been in detention for the past five months, and a request has been put to the higher court either that he should be released during the period of his trial or that he should be allowed to consult in private with his legal representatives.

At a preliminary hearing in the criminal court on August 21, Mr Najadi was accused of forgery of documents, embezzlement, destruction of bank documents, misappropriation of bank funds and abuse of trust.

The charges appear to have no bearing on the serious solvency problems which led to the takeover by Luxembourg-based interests of Arab Asian Bank in April this year.

They relate solely to a SwFr 5m personal loan arranged two years ago in the name of the member of Mr Najadi's family, but allegedly serviced by Mr Najadi himself.

ECONOMIC REFORM PACKAGE EXPECTED SOON IN BID TO SECURE IMF LOAN

Zambia set to introduce foreign exchange auction

BY PATTI WALDMEIR IN LUSAKA

ZAMBIA is set to introduce a foreign exchange auctioning system which will lead to a sharp fall in the over-inflated official value of the kwacha. The system would form part of a package of economic reforms which is expected to lead to the conclusion of an agreement with the International Monetary Fund (IMF), for about SDR 100m (£76m).

The move, expected to be announced officially on Monday, follows nearly a year of tough negotiations between IMF and Zambian government officials on radical measures needed to halt the country's precipitate economic decline.

This has been spurred by low prices and falling production of copper, which provides 90 per cent of export earnings.

Last year's production of some 520,000 tonnes was 50,000 tonnes short of the Government's target, while a further 40,000-50,000 tonnes drop may be expected this year.

Mr Luke Mwananshiku, Zambia's Finance Minister, is understood to have sent a timetable outlining proposed reforms to M Jacques Larosiere, the IMF managing director, including a commitment to a foreign exchange auction.

A number of other measures implemented recently, such as a subsidy reduction leading to a 50 per cent rise in the price of maize meal, the staple food (further subsidy cuts are likely), reductions in civil service staffing and spending, and the de-control of domestic interest rates, were also included.

Action to clear the Kwacha 600m to Kwacha 700m "pipeline" of unremitted profits and dividends built up over the past six years is a crucial element of the programme.

An IMF team is due in Lusaka late next month to assess the reforms and it is hoped that final agreement on a new standby can be reached by the year-end.

A previous SDR 225m 20-month standby facility agreed in July last year was suspended last year with only SDR 80m drawn.

Under the proposed auction system, importers will be allowed to bid freely for a limited amount of foreign exchange each week.

Although it was not clear what restrictions might be imposed on the use of foreign exchange purchased, it was believed that foreign companies wishing to remit profits and dividends could do so through the auction.

The exchange rate set at auction would apply to all foreign exchange transactions in the economy, including imports by government departments and the petroleum sector, although they would not compete directly in the auction.

This is expected to lead to a sharp drop in the official value of the Kwacha, which currently trades at around one-third of its official value on the black market.

The corresponding rise in domestic petrol prices will boost food costs and hit hard at living standards which have fallen sharply in recent years.

Numerous government parastatals, which dominate all sectors of the economy apart from commercial banking and commercial farming, could go to the wall as the burden of servicing external debts worsens and large-scale redundancies appear unavoidable.

No agreement can be finalised, however, until Zambia clears some SDR 75m in arrears to the IMF, which may require the Government to seek a commercial bank bridging credit.

Mr Luke Mwananshiku

Attack designed to aid Angola rebels

BY ANTHONY ROBINSON IN JOHANNESBURG

SOUTH AFRICAN defence headquarters yesterday revealed further details of its latest cross-border raid into Angola as international criticism mounted and diplomats voiced a growing belief that the operation is at least partly designed to ease the pressure on Unita forces further north.

South African defence officials have in the past said that at least 60 per cent of the 8,000 South-West Africa People's Organisation (Swapo) guerrillas have been deployed in support of the Angolan FPLA army in operations against Unta forces led by Dr Jonas Savimbi.

In recent weeks Unita forces are believed to have come under strong pressure around the Benguela railway and other areas of central Angola from FPLA forces strengthened by recent shipments of Soviet built MiG 23 fighter bombers and helicopter gunships.

Defence headquarters in Pretoria said yesterday that nearly 500 South African and Namibian troops split into 12 "reaction teams" of about 40 men each, backed up by aircraft, were conducting what it called the "follow-up operation" against the Swapo 8th Battalian consisting of between 400 and 800 men.

It said that the operation follows at least three attempts this year by Swapo to infiltrate Namibia in large numbers, two of them since the withdrawal of South African forces from southern Angola on May 18.

The statement added that the majority of the 200 Swapo forces involved in the first operation between January 10-15 had been destroyed and that 72 had been killed in the latest operations.

Significantly the latest statement from defence headquarters criticised the FPLA. It noted "greater co-operation between the FPLA and Swapo and accused the Angolan forces of providing Swapo with logistic help and also informing them of security force movements.

Defence headquarters also accused Swapo of violating the February 1984 Lusaka agreement between South Africa and Angola 145 times.

Under the accord South Africa agreed to withdraw its troops providing the FPLA did not allow Swapo to occupy the vacated areas.

"It rapidly became obvious that the Angolan forces not only provided Swapo with logistic help but also informed them of security force actions" the statement said.

Security analysts here noted that the latest raid is partly aimed at pre-empting the traditional rainy season infiltration effort by Swapo and of breaking up their supply lines to the south.

It also takes place as the recently formed coalition "government of national unity" in Windhoek is about to embark on a political operation designed to boost its standing among the Ovambo tribe, which makes up nearly 80 per cent of the total Namibian population and where hitherto has claimed its prinicpal support.

Reconsider Krugerrand ban, Pretoria urges U.S.

BY ANTHONY ROBINSON IN JOHANNESBURG

THE ANNOUNCEMENT by Mr George Shultz, U.S. Secretary of State, that the U.S. intends to ban the import of Kruggerands within weeks amounts to "an attack on our mining industry," Mr Louis Nel, the recently appointed Deputy Minister of Information, said yesterday. Mr Nel called on Washington to reconsider its decision.

South Africa, he added, was "concerned that the intended embargo motivated in terms of the symbolic value of the krugerrand, ignores the practical consequences."

The mining industry employs over 550,000 people. It is the second largest employer of blacks in South Africa and the largest employer of foreign blacks.

It is also the largest earner of foreign exchange for the rand monetary area which includes Lesotho and Swaiziland, he added.

Half the earnings of foreign workers are re-patriated to their families while about one-seventh of the price of each krugerrand accrues to the family of foreign mineworkers back home.

"No constructive purpose will be served by attacking one of the most viable and important instruments of economic development in Africa," he concluded.

When sales of krugerrands were at their peak in November 1978 the coins accounted for 48 per cent of that month's total gold output of 1.89m ounces. This year they are expected to total less than 10 per cent of total gold production which reached 14.43m ounces over the first 8 months of this year.

Banking officials believe that the contraction of the krugerrand market, on top of the general liquidity problems exacerbated by disinvestment and the standstill on foreign debt repayment, has obliged the Reserve Bank to step up its gold bullion sales so contributing to the continuing weakness

Two children shot dead in Cape township

BY OUR JOHANNESBURG CORRESPONDENT

TWO SCHOOL children were shot dead by the police in the Coloured township of Elsies River near Cape Town yesterday and at least two other people were killed in similar incidents elsewhere as violence continued in several parts of the country.

In central Cape Town parents and relations of people detained under the emergency regulations and security laws were beaten by police as they walked to police headquarters in Caledon Square to deliver a letter to the commissioner of police.

The crowd of around 50 people intended to seek assurances about the treatment of their detained relatives in the light of a recent report by the University of Cape Town which estimated that 85 per cent of detainees were tortured in one form or another while in detention.

The crowd linked arms and were walking three abreast towards the police station when they were charged by police wielding whips.

Meanwhile, a delegation of lawyers, headed by the President of the Association of Law Societies, went to see Mr Kobie Coetsee, the Minister of Justice, in Pretoria to express their "deep concern" about the wide powers given to the police and the army by the emergency regulations.

In a statement the president Mr Geoffrey Co, said the effect of the regulations "is that an inhabitant of this country who has committed no crime can be subject to a humiliating and degrading imprisonment without any recourse to the law."

He pointed out that under the regulations "any person can be imprisoned if, in the opinion of a policeman, soldier or prison official such imprisonment is necessary for the maintenance of public order." There is no requirement that any offence should have been committed, he added.

Japan sets defence cash target

By Carla Rapoport in Tokyo

JAPAN yesterday hammered out a new five-year defence spending programme, but it remains unclear whether the programme will breach the long-held ceiling on spending of 1 per cent of gross national product.

A spending target of Y18,400bn (£56.8bn) for 1986-1990 was agreed early yesterday after all-night negotiations between government and political leaders including Mr Koichi Kato, Defence Agency director-general, Mr Noboru Takseshita, Finance Minister, and Mr Shintaro Abe, Foreign Minister.

This amount is estimated to be 1.038 per cent of Japan's GNP for the five years, according to the Economic Planning Agency. However, the first year's spending is expected to be below 1 per cent of GNP because of expected revisions of the GNP calculation base later this year.

The spending targets were approved by Prime Minister Yasuhiro Nakasone's Cabinet yesterday afternoon. Mr Nakasone failed earlier this month to secure political approval for ending the 1 per cent limitation.

Cabinet ministers also agreed yesterday to boost Japan's foreign aid allocation, known as Official Development Assistance (ODA), for 1986-1990 to $40bn (£28.6bn) or more.

It was agreed that the Government would strive to double the ODA in 1992 from its 1985 levels, raise the ODA-GNP ratio, improve the quality of Japan's overseas assistance and enhance the effectiveness of its ODA spending.

AP-DJ adds: Mr Satoshi Sumita, the governor of the Bank of Japan, indicated yesterday that he is opposed to restrictions on capital outflows.

He said Japan should be "extremely careful" in intervening in a natural flow of capital.

Mr Smith said Japan should not curb the drain of capital at a time when the U.S. has to depend on capital from outside to cover its budget deficit and when protectionist sentiment in the U.S. Congress has been growing. Such a step, he said, might be considered to be a threat against the U.S.

Singapore wins battle to stabilise dollar

By Chris Sherwell in Singapore

THE Monetary Authority of Singapore, the island state's bank regulatory agency, yesterday claimed victory for its tough intervention operation against speculators who had been selling the Singapore dollar short.

The currency finished the day in Singapore yesterday at S$2.20 against the U.S. dollar—around pre-speculation levels—after being hauled back up from an eight-year low last week of S$2.31 to S$2.1930 on Tuesday.

The authority achieved its target of stabilisation principally by driving up overnight rates in the local interbank market, thus making it prohibitively costly to fund speculative short-selling. At one point on Tuesday the rate hit 105 per cent, and yesterday it finished at 20-25 per cent, a five-point spread.

In a typically sharp statement yesterday afternoon, Dr Goh Keng Swee, acting chairman of the agency in the absence of Dr Richard Hu in China, said the authority's action had achieved its purpose and liquidity would now be injected back into the market.

"Speculators have suffered heavy losses," he said, and he warned that the exercise would be repeated if the phenomenon re-emerged. "Those who must speculate are well advised to leave the Singapore dollar alone.

Dr Goh also said bankers should recall their loans to speculators or not renew them at maturity. He warned corporations which had borrowed at prime rates and lent overnight at a profit "to stick to their chosen fields and not act as financial intermediaries."

Paris Club agrees Morocco debt pact

BY FRANCIS CHILES

THE Paris Club of Western government creditors has agreed to reschedule about $1bn (£740m) worth of Moroccan Government debt which falls due in 1985 and 1986.

This figure, which includes both principal and interest, amounts to 90 per cent of what the country owes Western governments during those two years.

Repayments will be stretched over nine years with four years' grace, conditions considered extremely favourable to the debtor.

The agreement reached in Paris follows the accord between Morocco and the International Monetary Fund which led, earlier this week, to the IMF extending a new SDR 315m (£240m) loan to the kingdom.

Western banks, which are owed about $3bn by Morocco in 1985 and 1986, are expected to reach an agreement over the next few weeks.

Agreement between Morocco and the banks was held up for many months by Morocco's reluctance to allow its central bank to give a formal guarantee to the Western banks.

Instead, the Banque du Maroc has given the banks a letter of undertaking to make foreign currency available to meet the service of the commercial debt.

Two months ago the World Bank approved a $150m readjustment loan to the kingdom, the second of its kind in two years.

Altogether, Morocco had to face repayments worth $6bn in 1985 and 1986, a large part of which is owed to international organisations.

The agreement reached in Paris confirms that the rescheduling package for the two years is fast falling into place, thus allowing the country more time to proceed with the many internal reforms initiated during the past two years.

According to the Banque du Maroc annual report, subsidies for basic foodstuffs were held to dirhams 2.1bn last year. This year, taking into account the increases in the price of flour, sugar and cooking oil announced just over two weeks ago, the cost of subsidies is expected to rise to dirhams 2.5bn.

The various austerity measures taken since 1983 have, however, cut the budget deficit from 8.5 to 6.7 per cent of gross domestic product between 1983 and 1984.

But the current account deficit rose by nearly dirhams 3bn to dirhams 9.5bn under the impact of higher cost of imported energy and food and also because of the more liberal import regime urged upon the Moroccans by the World Bank.

Manila bid to ease IMF programme

By Samuel Senoren in Manila

THE PHILIPPINES yesterday sought relaxation of austerity measures imposed by the International Monetary Fund in a revised letter of intent to the Fund which spells out its 1986 economic programme.

The revision was the second made since last year and follows a period of economic contraction. The IMF executive board is to meet on September 25 in Washington to review progress in the Philippines' adjustment programme.

A favourable review would lead to the release of the third tranche of about $106m of the standby arrangement signed in 1984 with the IMF

The revised recovery programme seeks an expansion in the ceiling on the budget deficit to allow for some leeway in funding

The original ceiling had been set at about 1 per cent of gross national product but Mr Cesar Virata, the Prime Minister, said this should be allowed to expand to between 1.5 per cent and 1.6 per cent of GNP.

The revised programme calls for replacement of the 5 per cent tax on imports by a 10 per cent levy for importers, 7 per cent for manufacturers and producers and 3 per cent for wholesalers and retailers.

Deng to remain at helm in China

By Robert Thomson in Peking

A SENIOR Chinese official stressed yesterday that the Chinese leader, Deng Xiaoping, would remain at the country's helm indefinitely and that no other major changes are expected in the leadership in the near future.

His comments came after an extraordinary Chinese Communist Party conference had opened in Peking.

The 992 conference delegates gathered in the Great Hall of the People were told by Communist Party general secretary, Hu Yaobang, that 90 new members would be appointed by the meeting to the party's central committee and its alternate body, replacing the 64 elderly officials who resigned earlier this week.

Mr Hu put in a good word for the resigning veterans, who, it was confirmed, would continue to receive their full salary and the perks of power.

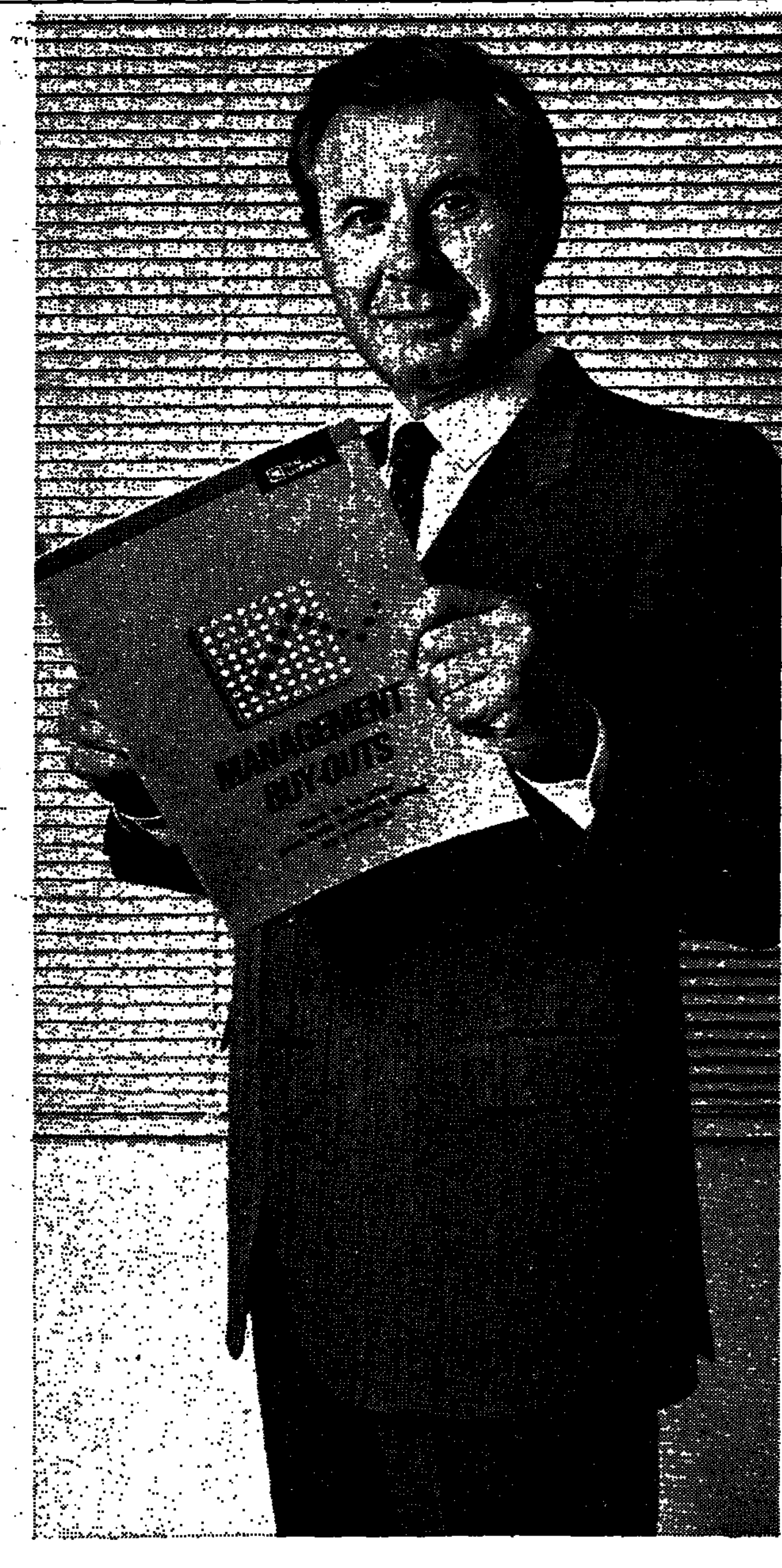
"Those comrades who have retired have played an exemplary role in matters of historic significance, to wit, the abolition of life tenure of leading posts, the establishment of a retirement system for central leading cadres, and the reduction of the average age of the central leadership."

At a press conference after the sitting, a party spokesman, Zhu Muzhi, who was himself among the resigning officials, stressed that Deng Xiaoping would remain in power indefinitely, and denied strong rumours that the Chinese President, Li Xiannian, would retire during the six-day conference.

As well as appointing replacements for the departing officials, the conference will be asked to approve the country's next five-year economic plan.

In a preliminary speech on the state of the economy, the Chinese Premier, Zhao Ziyang, indicated the plan would include a further loosening of central control over individual enterprises.

An annual growth rate of 7 per cent for each of the next five years has been targeted, Premier Zhao said, while the central committee is "taking a number of measures" to curb excessive growth in industrial output."



WORLD TRADE NEWS

Fairchild seeks to renegotiate aircraft venture with Saab

BY DAVID BROWN IN STOCKHOLM

FAIRCHILD INDUSTRIES, the U.S. aerospace group, is seeking to renegotiate its joint venture with Saab Scania of Sweden, which builds the SF-340 regional airliner.

The project has been dogged by fierce worldwide price competition and production delays and technical hitches which have forced several groundings.

It is understood that Fairchild, under new management, is now seeking to distance itself from the project. It acknowledged yesterday the group has initiated "negotations aimed at restructuring the existing agreement."

Following heavy investments by both groups, Fairchild is expected to play a more subsidiary role—possibly as a sub-contractor—with the main burden of continuing operations falling on Saab Scania.

This would imply a major reorganisation of existing marketing and production resources.

Fairchild has been forced to take a $135m (£100m) write off over the past year due to serious start up problems at its own production facilities which has slowed aircraft deliveries.

The group has been further hit by he threatened cancellation by the U.S. Defence Department of the Fairchild T-46 trainer aircraft project.

Meanwhile, fierce competition from the Canadian de Havilland DASH 8, the Short Brothers 360 from the UK, the ATR 42 (a French-Italian joint venture) and Embraer's Brasilia 120 from Brazil have forced heavy price rivalry and it is understood that Fairchild may be losing as much as $2m per aircraft.

Saab says the break even point for the project is now "somewhat higher" than the original estimate of 200 aircraft, but declined to elaborate.

Some 79 SF-340s have been ordered but only 30 delivered. Profits of Saab's aircraft division dropped from SKr 150m (£13.2m) to SKr 70m last year.

Saab declined to speculate about the outcome of the forthcoming negotiations with Fairchild, but says it expects to play "a much more prominent role in the project."

After a SKr 1bn investment, the 34-seat airliner is one of three major projects upon which Saab's strategy for profitability in the 1980s has been based. The others are the Saab 9000 turbocharged car and the RBS-15 missile.

Under the terms of the current joint venture, Fairchild is responsible for the wings and tail section of the aircraft while Saab is producing the fuselage and final assembly. Hitherto, marketing and service costs have been absorbed jointly.

Britain and Malaysia settle dispute over flights

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

The long-running row between the UK and Malaysia over flights between the two countries has been settled. The two sides signed an agreement in Kuala Lumpur on Tuesday.

Mr Michael Spicer, UK Aviation Minister, signed for the UK, with Mr Chong Hon Nyan, Malaysian Transport Minister, signing for his country.

Under the deal, which has been under negotiation for many months after years of disagreement over flights between the two countries, Malaysian Airlines System will be allowed a fifth weekly flight to London, and British Airways a fifth flight to Kuala Lumpur from November 1.

Agreement in principle on the additional flights was reached earlier this summer during Prime Minister Mrs Thatcher's visit to Malaysia as part of her south-east Asian tour.

Mr Chong said that, under the agreement, MAS could operate flights to London with stopovers at Amsterdam, Athens and Copenhagen, while British Airways would be allowed to fly to Kuala Lumpur through Bangkok, Denpasar in Bali and Jakarta, Indonesia.

Mr Chong said MAS would start its additional flight to London next July, when the airline takes delivery of a Boeing 747 Jumbo jet.

The agreement also provides for the two airlines to fly more passengers on flights between the two capitals, raising the capacity per aircraft from 310 passengers to 390.

Mr Chong said that he and Mr Spicer had discussed the possibility of a sixth weekly flight between London and Kuala Lumpur by both airlines, but nothing has been decided.

In Singapore, representatives of British Airways and Singapore International Airlines met earlier this week to discuss details of the proposed flights between Manchester and Singapore, starting next year.

● The Seychelles and Austria have signed an air services agreement allowing their national carriers to fly to each other's airports, AP reports

The agreement, aimed partly at bringing more tourists to this Indian Ocean island Republic, was signed this week by Mr James Ferrari, Seychelles' principal secretary for transport, and Mr Erich Binder, director of Civil Aviation in the Austrian Ministry of Foreign Affairs.

Stewart Fleming on measures being considered in Washington to control textile and apparel trade

Avalanche of protectionism looms over Capitol Hill

AS President Ronald Reagan's warning against a "mindless stampede" towards protectionism rings in their ears, members of the House Ways and Means Committee are scheduled to sit down today to put the finishing touches to the Textile and Apparel Trade Enforcement Act 1985.

The bill which is expected to become a focal point in the looming battle between the White House and Capitol Hill over U.S. trade policy will then start its tortuous journey to Congress.

The textile legislation, on the face of it, is precisely the sort of measure which has provoked fears that Mr Reagan's "free trade" philosophy is about to be swamped under an avalanche of protectionist proposals designed to put limits on imports ranging from shoes to lumber and cars to roses.

It is designed specifically to help curb foreign competition in a particular sector of U.S. industry, rather than to improve U.S. access to foreign markets and is thus precisely the sort of trade bill which President Ronald Reagan has sworn to veto.

Such is the overwhelming support for the textile bill—there are 291 co-sponsors in the House and 54 in the Senate—many trade experts on Capitol Hill are confidently predicting that before many months, Mr Reagan will be forced to make good the threat.

There are also widespread predictions that, because of the textile bill's popularity, it will not be long before other protectionist proposals are attached to it. A Bill imposing quotas on shoe imports is seen to be a natural fit now that Mr Reagan has rejected the International Trade Commission's recommendation that the shoe industry does indeed deserve protection.

While the textile Bill is unashamedly protectionist in intent, the U.S. textile industry's problems raise some important questions about the way "managed trade" has not been working—issues which have been analysed in a recent study by the Washington law firm of Dewey Ballantine Bushby Palmer and Wood entitled "the textile and apparel trade crisis."

It is not primarily the issues raised in that report which account for the support the textile bill has on Capitol Hill. The textile industry which with 2m employees now accounts for around one in 10 manufacturing jobs in the U.S. is, one of the most powerful business lobbies in the country.

Its strength is underpinned by the two powerful trade unions in the industry and by its wide dispersion across the country from New York to Los Angeles and the Piedmont region of the eastern seaboard, a region incidentally dear to the hearts of Republican electoral strategists as they prepare for next year's mid-term elections.

The textile industry claims that it has lost some 300,000 jobs since 1980 as the total volume of textile and apparel imports has surged from the equivalent of 4.9m sq yds in 1980 to around 10m in 1984. As many as 250 textile factories are reported to have closed down in the past five years.

The pace of import penetration has slowed significantly after the Reagan Administration in 1984 tightened up its rules of origin under the Multifiber Arrangement (MFA). But this has done nothing to dampen the industry's pleas for protection.

The bill is being attacked by retailers who have seized on Administration calculations that import quotas would add $14bn to consumer costs each year.

They have been joined by other groups who benefit from imports, transport interests for example, in arguing that although import curbs might save jobs in the textile industry, the restrictions would result in almost as many jobs being lost in other textile-import related firms.

The bill proposes a complicated system of quota controls on imports which would hit hardest at a group of strategically important major exporting countries, mainly in Asia, including Taiwan, South Korea, Hong Kong, China and Japan.

The quotas would cut imports back to the lesser of 1984 trade levels or 1980 trade levels plus 25 per cent for these major exporters. They would result in an estimated 30 per cent reduction in textile imports overall if the restraints on other smaller textile importing nations are included.

One reason why the bill appears to have the support of politicians such as Senator Robert Dole, the Republican majority leader who would deny protectionist leanings, is the widespread desire on Capitol Hill to force the President to take some of the political heat for what many see as the Administration's failure to take the trade issue seriously earlier this year.

Congressmen, by putting a bill on President Reagan's desk and forcing him to veto it, can go back to constituents and say they did their best to defend their interests.

However, the broader issues raised by the textile bill by the Dewey Ballantine study should not get lost in the political manoeuvring.

The basic point, of course, is that textile trade problems on the scale the U.S. faces today were never supposed to be possible.

The Multifibre Arrangement, agreed in 1974, was suppose to permit an orderly restructuring of the world textile industry through a series of bilateral agreements between developed countries and developing countries whose comparative advantage in labour costs was it was argued, now making them the most efficient producer of bulk textiles.

The fact that it has not worked out like that is obvious. Why not is a question the study addresses. The report argues that part of the reason is that economic forecasts have gone wrong. The developed world's textile markets have grown more slowly than predicted and imports have grabbed a larger share of the market causing more disruption than anticipated.

The comparative advantage stemming from labour costs offered an oversimplistic model of how the textile industry has evolved. Highly capital intensive and automated production in industrial countries has helped to offset labour costs advantages outside the apparel manufacturing sector.

So the assumption that the industrial country textile industries would shrink rapidly has not been borne out. On top of this it is argued that many developing countries have "targeted" their textile sectors as part of an export strategy, preventing structural changes from taking place in response to international competition and resulting in what the study says is "a massive global capacity surplus in the 1980s."

The report also claims that the EEC and Japan in particular have been more rigorous in their efforts to slow the flood of imports, diverting low priced exports to the U.S.

The fact that developing countries have adopted protectionist policies towards their rivals has added to the distortions. For the U.S., it is argued, these trends produce a rapid erosion in the domestic market for U.S. fabric and fibre producers when many foreign export markets are effectively closed to them.

The strength of the dollar and the weakness of the European economies obviously help to account for the fact that the U.S. has been importing textiles faster than its industrial country trading partners. But Dewey Ballantine maintains that these factors are not sufficient to explain the "massive shifts in trade flows." More important is the fact that it is simply much easier for developing country producers to penetrate the U.S. market.

Even if one takes the view that the dollar has been a much bigger factor than Dewey Ballantine concedes the report is a plausible indictment of the existing system of "managed trade" in the textile industry. It suggests that such efforts will have to be much more flexible, otherwise they can just as easily provoke protectionist responses like those now visible on Capitol Hill, as avoid them.

Dr Clayton Yeutter, the U.S. Trade Representative, warned yesterday that the pending textile quota Bill could cause the country "great grief."

Passage of the measure could destroy the international Multifibre Arrangement (MFA) and could cause the collapse of the General Agreement on Tariffs and Trade (Gatt) in its wake, he said.

Dr Yeutter, speaking in Washington, said President Reagan's forthcoming statements on trade policy would not contain any surprises. The Administration, he said, would shortly offer some trade legislation proposals or back proposals put forward by members of Congress.

These would involve some improvements in U.S. laws against unfair trading practices including greater authority to combat international piracy of U.S. patents and copyrights and other intellectual property, and authority to enter into a round of international trade talks.

Japanese submit lowest bids for Thai chemicals plant

BY BOONSONG K'TWANA IN BANGKOK

Three Japanese-dominated consortia have put in the lowest bids in the battle to win contracts for a petrochemical complex in Thailand.

The complex is being built by the country's part state-owned National Petrochemical Corporation (NPC).

The natural gas-based Olefins complex will have a capacity of 315,000 tons of ethylene a year and 105,000 tons of propylene.

The bids from the three consortia totalled $136.88m (£105.2m) which is substantially lower than the $280m estimated by the Thai corporation.

Tenders are basically divided into three categories: construction and engineering of the plant; construction of storage and offsite facilities; and general civil facilities.

In the first category the Japanese-U.S. consortium of Toyo Engineering, Mitsui and Lummus Crest put in the lowest bid of $83.32m. There were five other contestants.

Ishikawajima - Harima of Japan submitted the lowest offer for the second contract. Its $46.14m offer, outbid seven other tenders in the same category.

The lowest bidder for the third contract was Japan's Nippon Kokan KK with the offer of $7.42m.

The lowest bidders will not necessarily win, NPC says, but they are the strongest contenders.

NPC is expected to name the successful bidders at the end of the year. The project is the upstream plant supplying feedstock for Thailand's planned petrochemical complex on the eastern coast which is expected to be completed in 1988.

● Mitsubishi Heavy Industries has won an order worth Y15bn (£46.5m) for two power generators from Perusahaan Umum Listrik Negara, an Indonesian state-owned electric power company.

The two dynamos, each capable of generating 400,000 Kw, will be delivered to Suralawa Power Station in February 1989 and November 1989.

Goal for free trade in banking identified

By Christian Tyler, Trade Editor

THE PRINCIPLE of "national treatment" is likely to emerge as the main goal of global negotiations to liberalise trade in banking and other financial services, according to a report published today.

The same objective could be equally appropriate for other service industries, says Prof Ingo Walter, of the Graduate School of Business Administration at New York University.

"National treatment" means that a government grants foreign-owned operations the same rights and duties as domestic institutions.

In a report for the London-based Trade Policy Research Centre, Prof Walter says that with appropriate safeguards "this principle can fully provide for the legitimate concerns addressed by prudential controls and the tools of monetary policy."

A country's adoption of dirigiste financial policies is not necessarily incompatible with granting national treatment, he says.

However, the author admits, it would be much more difficult to extend the principle in countries where the entire domestic financial system was nationalised—as in most developing countries, nearly all centrally-planned economies and in France.

But even here a role might be found for foreign concerns, "as the case of China shows."

Prof Walter identifies the lack of free trade in financial services in many parts of the world, arguing that restrictions placed on foreign concerns are often protectionist although disguised as prudential measures.

"There is no greater justification for protection, appropriately defined, in financial services than in steel, automobiles or telecommunications equipment," he says.

Prof Walter's study looks at the issue which has dogged efforts by the U.S. to get a world trade negotiation launched in the 90-member General Agreement on Tariffs and Trade.

Some developing countries, led by India and Brazil, are resisting the start of Gatt talks that would include negotiated rules on trade in services. The U.S., with the support of Britain and others, sees the services question as one of the highest priorities.

Prof Walter supports the latter case. "Countries that have a comparative advantage in this sector have a right to seek access to foreign markets as a matter of general reciprocity, in return for access to their own domestic markets for goods and services in which they have a comparative disadvantage," he says.

Bariers to Trade in Banking and Financial Services, by Ingo Walter; Trade Policy Research Centre, 1 Gough Square, London, EC4A 3DE; £6.00.

ICL wins £1m Yugoslav order

ICL, the UK computer group, has won an order worth more than £1m for computerised retail systems from Robna Kuce Beograd, Yugoslavia's leading department store chain.

Convesco boosts European sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CONVESCO, the joint General Motors-Isuzu marketing organisation, will sell 14,600 commercial vehicles in Western Europe this year, a 58 per cent increase on the 1984 total.

So far the company's progress has been based on sales of the Isuzu Trooper, a four-wheel-drive vehicle, vans and pick-ups from the Japanese group.

However, Mr M. "Raz" Razak, Convesco's chief executive, believes the new Midi van, produced at Luton in the UK by GM's Bedford subsidiary, could be very successful in Italy and France.

He expects another 25 per cent increase in total Convesco vehicle sales in 1986.

He predicts that the Midi, based on the Isuzu WFR van and using Japanese engines, transmissions and other parts—but with a UK content of at least 60 per cent measured by ex-factory value—could be selling at an annual rate of 15,000 to 20,000 in France and Italy within two years.

Imports of built-up Japanese vehicles to those countries are almost totally excluded by various protectionist arrangements but the Bedford Midi vans are counted as "European."

Convesco was established in October 1983. General Motors, the world's largest automotive group, owns 51 per cent and Isuzu 49 per cent. Between them the companies put up $1m (£769,000) to establish the organisation with a headquarters at Russelsheim in West Germany, not far from GM's car manufacturing subsidiary, Opel.

The links between GM and Isuzu were already well-established because the U.S. group has owned 34.2 per cent of Isuzu for over 10 years and has the option to take its stake to 48 per cent.

Convesco's objective is to sell Isuzu commercial vehicles and those from GM's Bedford subsidiary side by side through dealers selected from the 6,500-strong Opel car dealer network in Europe.

Mr Razak says Convesco's intend to offer Isuzu heavy trucks on European markets within a few years and the company is examining what "type approval" (technical) tests will be required in the various countries.

Last year Isuzu produced 88,536 cars and 343,721 commercial vehicles. Its biggest export market for commercial vehicles is China where it will sell 40,000 this year.

In North America this year GM's truck subsidiary, GMC, will take about 3,000 medium-duty trucks (Class 6/7) for its dealer network while the Japanese group expects to sell around 5,000 light commercials through its own outlets.

Two Koreas make slow progress on trade pact

BY STEVEN B. BUTLER IN SEOUL

NEGOTIATORS FROM North and South Korea yesterday met in the truce village of Panmunjom and failed to make substantial progress toward an agreement on economic co-operation and trade.

Meeting for the fourth time since November, delegations from the two sides each tabled draft agreements that were closer in language than similar proposals presented in June. The proposals failed, however, to bridge some fundamental differences in approach.

The two sides have agreed in principle to set up a committee structure headed at the Vice-Premier level, but South Korea wants the committee to function strictly as a body that will implement trade and co-operative agreements.

Before establishing the committee, the South wants the North to agree to a list of commodities for trade and areas for joint venture-co-operation. The South has proposed an immediate purchase of 300,000 tons of North Korean anthracite coal.

The North has proposed first to set up the committee system and then to allow further negotiations in that forum at a "working level."

South Korea is suspicious that North Korea wants to use the committee system principally for show purposes, without actually achieving any meaningful economic exchange.

The South has also proposed a far simpler committee system than the North, which wants to establish six sub-committees under main committee. The South wants only two committees, one for trade and one for joint ventures.

The North Korean delegation declined an invitation to try to work out final differences in an afternoon negotiating session. The two sides agreed to meet again on November 20.

Finland seeks full Efta membership

By Olli Virtanen in Helsinki

FINLAND has applied for full membership of the European Free Trade Association (Efta) after having been an associate member for 24 years.

Finnish officials explained that the move would mean "normalisation of the present situation." The timing coincides with Portugal resigning from Efta and joining the European Community.

Finland negotiated on joining Efta in the early 1960s but the Soviet Union objected to a full membership and a concept of Finn-Efta was created.

It grants Finland most of the association's trade benefits but enables the country to be distanced politically. At the same time Finland negotiated a similar agreement with Comecon, the Soviet bloc's trade association.

"There are no similar foreign policy considerations," says Mr Jermu Laine, Finland's Foreign Trade Minister, so full membership is acceptable. Nevertheless Finland has informed Moscow of the move.

World Bank to aid Ivory Coast project

By Peter Blackburn in Abidjan

THE International Finance Corporation (IFC), the World Bank arm providing long-term private-sector finance, is to help develop the Ivory Coast's offshore gas reserves.

This was revealed by Sir William Ryrie, IFC's director-general, after talks with President Houphouet Boigny in Abidjan. "We have offered to help conclude negotiations between Phillips Petroleum and the Government and to participate in financing the development of the Foxtrot gas field." Sir William said.

The Foxtrot field is on the B1 block off Jacqueville, 40 kms west of Abidjan. Recoverable reserves are conservatively estimated at some 300bn cubic feet. The gas would be piped to Abidjan and initially used to generate electricity.

Energy, with agro-industry, is a key sector in the IFC's efforts to double investments in Africa to $600m during its five-year programme to 1989.

IMF forecasts slower growth in developing world

BY STEWART FLEMING IN WASHINGTON

THE International Monetary Fund is projecting a significant slowdown in economic growth in the developing world next year, a shift which will add to unease about the world debt situation at the annual meetings of the IMF and the World Bank in Seoul, South Korea, next month.

Earlier this year in its April world economic outlook the IMF said it expected real growth in the developing world in 1985 of 4.0 per cent and in 1986 of 4.5 per cent.

But amid signs of slower economic growth in the industrial world this year and continuing uncertainties about the outlook in 1986, particularly for oil prices, the IMF will be projecting growth rates of 3.6 per cent for 1985 and 4.1 per cent for 1986 in the latest version of its world economic outlook which will be released next month, officials confirmed.

Part of the explanation for the gloomier projections for developing countries lies in the IMF's expectations of only moderate growth for the industrial world.

For 1985 the IMF has revised down its real growth forecast for industrial countries from the 3.1 per cent projected in April this year to 2.8 per cent, the much slower growth in the U.S. being a major factor.

In April the IMF thought the U.S. would expand at an annual rate of 3.4 per cent this year; now it foresees only 2.6 per cent. Next year, however, it is assuming some revival in U.S. growth as the drag on the domestic economy from rising import penetration subsides.

An annual rate of growth of 3.3 per cent is now assumed for the U.S. rather than the 3.0 per cent it forecast in April.

These projections are considerably below the Reagan Administration's official projections of 3.9 per cent for 1985 and 4.0 for 1986.

As worrying as the actual projections for the world economy which imply a deterioration in the economic background to the world debt situation, is the uncertainty which surrounds them, particularly as they relate to the U.S. This is something IMF officials are likely to stress in Seoul next month.

World Bank launches participation loan plan

By Stewart Fleming in Washington

THE WORLD BANK is launching a pilot programme selling loan participations to financial institutions to try to make better use of its limited capital resources and tap a broader segment of the world's financial markets for new funds.

The programme, announced by the bank yesterday, involves the sale of about \$300m (£223m) in participations in loans with maturities ranging from six months to 12 years. The aim is to sell the loans in German marks, U.S. dollars, Dutch guilders and Swiss francs at competitive yields. But the World Bank plans to retain its status as lender of record and to retain a stake in the loan.

The effect of this is to offer investors a loan with the World Bank name attached to it, but not with a World Bank guarantee. As a result the bank's capital is not tied up backing the loan and the proceeds of the sale can be re-lent, thus expanding what the bank likes to describe as its "catalytic" role.

The bank will initially sell participations in loans to 15 developing countries.

Jimmy Burns visits the home town of Argentina's President Alfonsin

'Raulito' before the razzamatazz

EUROPEANS have the chance this week to glimpse the circus of private secretaries, bodyguards, businessmen, Government ministers and camera crews who accompany Sr Raul Alfonsin, the Argentine President, on every state occasion.

The presidential show during Sr Alfonsin's official visit to West Germany and France has all the usual razzamatazz—with the man inseperable from his office. But 10,000 miles southwest of Paris in his home town of Chascomus, the President is remembered more for what he was than what he has become.

Inhabitants of the small lakeside town (pop: 30,000) in the midst of the Argentine pampa this week appeared impervious to the media's trumpeting of Sr Alfonsin's European trip beamed nationwide on prime-time state television.

"We're a small conservative provincial community. We like our social reunions, our walks by the lake. We keep to ourselves. What happens to the President in the outside world does not affect us," says Sra Alicia Lahourcade, a local historian.

In Chascomus, "Raulito," is remembered as the affable but disorganised lawyer who preferred card games, dancing and politics to the courts, and whose personal finances were so chaotic that he usually survived by borrowing money from friends.

Chascomus supporters watch as their local-boy-made-good votes.

Since Sr Alfonsin first ran successfully for the provincial legislature of La Plata, nearer Buenos Aires, in 1958, his political career has revolved around the capital. But he has maintained personal links with Chascomus. The occasional return of Raulito to his fold has assured extra kudos for the President.

Last month, on the nationally celebrated "dia del amigo" (day of the friend), Sr Alfonsin chose to embrace his home town. Temporarily freeing himself from the Presidential entourage, he made an impromptu visit to a friend's house, danced a tango in the local rowing club and joined a communal party that was digging in to the local staple "diet" of barbecued rump steak and freshwater fish.

He would probably shun the comparison with Britain's Prime Minister, his diplomatic enemy number one, but there is something of Mrs Margaret Thatcher's style in Sr Alfonsin. He finds it politically expedient on occasions to show the nation that he comes from a less than glittering background.

The local opposition graffiti protests the nepotism of Sr Alfonsin's presidency — which has as its core an inner circle of friends and relations — but it has yet to come up with concrete evidence of corruption.

On the contrary, the most striking aspect about Chascomus today is its cautious conservatism. The local newspaper, El Argentino, has devoted pages to criticising the legal aspects of the junta trials, and explaining the electoral platform of the centre-right coalition in a generally favourable light.

"We were promised natural gas for all the houses and an extension of the railways line by the Government. But we can wait. We know we have to pull our belts in to get the country through," comments Sra Nini Bonito, a local Alfosinista.

The town's economic difficulties however, are common to the rest of the country. Stagnation in the months following Sr Alfonsin's election forced the closure of a local textile and metallurgical factory

Chascomus has fallen back on it traditional life savers, the land, the vast prairie surrounding Chascomus and its lake provides a natural pasture for cattle, but farmers here as elsewhere in Argentina complain about inadequate prices

The town is a sad reflection of a more glorious past. Chascomus grew in the last century thanks to the agricultural export-led economic boom that made the pampa the "granary of the world," and the British the most successful merchant in Latin America.

Petroperu to cover foreign oil group costs

By Doreen Gillespie in Lima

PERU'S state oil company, Petroperu, is to pay a fee to cover production costs of the three foreign oil companies whose contracts were rescinded by the Government last month and who say they have run out of money to cover expenses.

The fees will total about \$610,000 (£436,000) a day, approximately half the amount Petroperu previously had been paying to buy oil from the companies.

The state oil company had stopped payments after contracts were rescinded on August 28. The new arrangement will remain in effect until fresh contracts are signed with Occidental Petroleum Corporation of Los Angeles, Belco Petroleum Corporation of New York, and the consortium formed by Occidental with Bridas of Buenos Aires.

The companies produce an average 123,000 barrels per day, which is about two-thirds of total output of 190,000 b/d. This covers local demand and leaves a small surplus for export.

Under previous contracts, the companies handed half the oil to Petroperu free of charge and sold the balance at international prices

Brazil optimistic on deal with IMF by end of year

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZIL MAY be able to reach an agreement with the International Monetary Fund on a new austerity programme by the end of this year, Sr Dilson Funaro, the Brazilian Finance Minister, said in Washington.

Speaking after a meeting with M Jacques de Larosiere, the IMF managing director — the first direct contact with the Fund for the recently changed Brazilian economic team — Sr Funaro said there had been "an important approximation" between the two sides.

Without entering into details, he indicated that the IMF chief was broadly receptive to the Brazilian insistence on maintaining a gross domestic product growth rate of 6 per cent over the coming year.

In a note of cautious optimism the Finance Minister confirmed earlier reports that Brazil was seeking a longer adjustment period for meeting IMF targets of two or three years, compared with the current plan for a twelve month programme.

Technical level discussions with the IMF are to continue in Washington over the next few days. Further high level contacts will be deferred until next month's annual meeting of the IMF in Seoul.

Agreement with the IMF before the end of the year is vital if Brazil is to maintain its present timetable with its commercial bank creditors. An agreement covering future debt principal payments is necessary by mid-January, when the current 140-day standstill expires.

Payments to Costa Rica on SDR 54m loan halted

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE International Monetary Fund has halted disbursements of its SDR 54m (£41m) loan to Costa Rica because of its failure to meet a targetted schedule for the reduction of debt service areas to commercial banks.

The IMF's decision comes at a difficult time for Costa Rica which has total debts of about \$4bn (£2.98bn) and is engaged in the delicate task of refinancing two floating rate notes totalling \$70m in the Eurobond market.

Bankers say the IMF move will also have the effect of blocking payouts on the \$75m credit agreed earlier this year by commercial bank creditors as part of a debt rescue package.

But they add that the IMF move is not seen as reflecting any major slippage in Costa Rica's economic adjustment programme. They expect the IMF and Costa Rica to reach agreement in a means of putting the country back on track by the middle of the Autumn.

However, it was not clear yesterday what the impact would be on the bond refinancing exercise. Bond holders have to reply by September 30 to a Costa Rican offer to exchange old bonds for now on terms that are comparable with those on its bank debt rescheduling.

U.S. farm bank system 'may need aid soon'

THE FEDERAL Farm Credit System may need to be rescued earlier than had been expected, Mr Donald Wilkinson, Governor of the Farm Credit Administration, said yesterday, Reuter reports from Jackson Hole,

"We might have to use the system's resources more rapidly than the 18-to-24-month period I've been indicating, Mr Wilkinson said. He added that the nation's farm economy had deteriorated so rapidly that his projection may have been too optimistic.

Directors and presidents of the 37 banks in the syste mhave agreed this week to ask Congress for financial aid.

Mr Wilkinson said he agreed with estimates by the Farm Credit Banks' staff that loan losses throughout the system were likely to exhaust all the reserves in 18-24 months.

Because of those projections, he said he was already talking with Adminstration officials and Congressmen about aspects of a contingency financial aid plan.

He added that these plans had to be completed within two to three months i norder to leave adequate time to put the plan into effect.

"It would be a serious mistake to require the banks to use up all of their resources before stepping in," he said.

Mr Wilkinson said the financial aid plan he will present to Congress in early October will be aimed at helping banks within the Farm Credit System and provide some help to commercial bank lenders.

Mr Wilkinson said the aid plan he was developing called for the establishment of a quasi-Federal agency to purchase non-performing loans from banks.

The plan calls for the new agency to package some of the non-performing loans for sale into public credit markets as securities, perhaps with some guarantee that the federal government would stand behind them.

U.S. accused of trying to overthrow Sandinistas

A U.S. law professor said yesterday that evidence before the World Court showed that the U.S. Government conceived, created and organised a mercenary force to overthrow the Nicaraguan Government, Reuter reports from the Hague.

Professor Abram Cheyes of Harvard Law School was summing up evidence given by six witnesses for Nicaragua during hearings at the International Court of Justice on a Nicaraguan complaint of U.S. military aggression.

The U.S. has not attended the hearings, which are the first since Washington withdrew from the proceedings last January. It accused Nicaragua of misusing the 15-judge court for political and propaganda purposes.

Prof Cheyes listed eight central propositions based on evidence presented to the court since hearings began last Thursday. He said they show that U.S. actions were aimed at destabilising the Nicaraguan Government in violation of international law.

UK NEWS

Employers reject pensions reform

By Eric Short

PLANS to end the state earnings-related pension scheme (Serps) in favour of personal and company pensions from April 1987 have been rejected by the Confederation of British Industry (CBI), the employers' body.

Rejection of proposals unveiled last June by Mr Norman Fowler, Social Services Secretary, by the most influential body of business opinion in the country, will be seen as a warning to Mr Fowler. He is already weighed down with submissions from other organisations who have attacked the plans saying that practical problems will make it impossible to implement them.

Outright opposition of the Trades Union Congress, the only body yet to formally make a response, is already widely known.

The CBI said it opposed the Serps proposals because they would increase costs for employers, create inadequate pensions provisions for employees and cause instability in the pension system.

The weight of the CBI's views could well make Mr Fowler think again. At least that is the hope expressed by Sir James Cleminson, CBI chairman, who pointed out that the matter had aroused deep concern among CBI members.

The CBI is also highly critical of the timetable put forward for changes as totally unrealistic and dangerous. It feels that there is a need for full public debate and consultation on all the strategic options available to the Government to make the changes.

Average wages in industry rise by 9¼%

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RISE in average earnings in manufacturing industry has accelerated to an annual rate of 9¼ per cent, which is more than twice the rate of inflation envisaged in government plans for next year.

Latest figures from the Department of Employment yesterday are certain to increase the Government's anxieties about the wage round which starts this month and about prospects for unemployment.

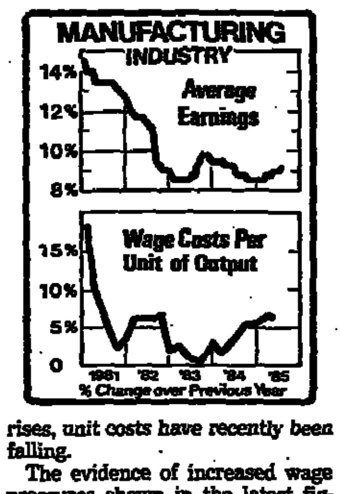
Mr Nigel Lawson the Chancellor of the Exchequer, has repeatedly given a warning that hopes of reducing the number of unemployed – now 3.2m – will depend to a large extent on whether wage settlements become more moderate.

Yesterday's figures, however, show that the average annual rise in manufacturing earnings in July was 9.6 per cent. After allowing for distortions, it is estimated that the underlying rise was 9¼ per cent compared with 8¾ per cent in the spring and 8½ per cent at the turn of the year.

These figures compare with an inflation rate of 6.3 per cent in August, and an annual rate of 4½ per cent officially projected for this time next year.

The annual rate of increase of wages and salaries per unit of manufacturing output (unit costs) rose sharply in July to 7.9 per cent from 5.6 per cent in June. Although monthly figures are unreliable, it seems clear that UK unit costs have been rising at an annual rate of between 6 and 7 per cent.

This is much faster than in most industrial countries. In West Germany and Japan where productivity gains have outstripped wage rises, unit costs have recently been falling.



The evidence of increased wage pressures shown in the latest figures follows a warning from the Confederation of British Industry (CBI), the employer's organisation, that wage claims have been rising recently and some evidence from recent surveys that the level of pay settlements has been drifting upwards.

CBI surveys have also suggested that manufacturers are not intending to pass on the increase through accelerated price rises. Instead, it appears that they hope to contain costs by continuing to replace workers by machines and so raise productivity.

The Government may take some comfort from the fact that yesterday's figures showed a very small rise in employment in manufacturing industry in the three months to July compared with the level in the previous three months. However, officials are gloomy about future employment prospects if earnings continue to rise at the present rate.

Unions seek over 6% for 1m workers

By Our Labour Staff

ENGINEERING unions yesterday lodged demands for a "substantial" pay increase for about 1m workers employed in Engineering Employers' Federation (EEF) member companies.

Unions have yet to put a precise figure on the demand but Mr Alex Ferry, general secretary of the Confederation of Shipbuilding and Engineering Unions, has said he would be looking for an increase "above 6-7 per cent."

When the EEF responds to the claim, it is almost certain to emphasise that its member companies have been making relatively low agreements recently. The median settlement over the summer months has been 6 per cent, with only 16 per cent settling above 7 per cent.

The unions are also claiming the adult rate of pay for workers at age 18 and overtime payments to be calculated on the basis of pay rates set by individual companies.

The claim excludes the customary demands on hours and holidays, because they are being discussed in a separate negotiating committee. This was established when the employers responded to last year's claim for a 35-hour-week with radical counter-proposals for more flexible working practices.

It is understood that the employers have tabled proposals for a framework agreement on hours and flexible working. The idea is that the national agreement would specify a list of changes in working practices in return for shorter hours.

Peter Riddell reports on the Liberal assembly in Dundee

Alliance boosted by large poll lead over Labour and Tories

THE SOCIAL Democrat/Liberal Alliance has moved into a large opinion poll lead over both Labour and the Conservatives, further boosting the confidence of its leaders after their two successful conferences.

A Gallup poll in today's Daily Telegraph puts the Alliance's support at 39 per cent, its highest rating since the heyday of its formation in 1981. This compares with 29.5 per cent for Labour and 29 per cent for the Tories.

The poll was taken after the SDP annual conference in Torquay last week.

In a previous Gallup poll a month ago the Alliance stood at 34 per cent, compared with 40 per cent for Labour and 24 per cent for the Tories.

News of the poll became known at the Liberal assembly in Dundee, Scotland, yesterday evening after a day in which Liberal activists had given Dr David Owen, the Social Democrat leader, a warm reception and they had demonstrated their desire for unity in a debate on preparing for government.

An increase in the Alliance rating is not entirely surprising after the extensive television coverage and favourable publicity given to the SDP conference last week and the divisions at the Trades Union Congress the week before.

There have, admittedly, been sharply differing figures in recent polls, though the result underlines the three-party nature of current British politics. The figures will be seen by Alliance leaders as strengthening their strategy of gaining credibility as a contender for power at the next general election.

The figures are also uncomfortable news for Labour leaders, especially as the party faces a difficult, and possibly divided, conference in Bournemouth later this month.

The new mood among Liberal activists was highlighted by the standing ovation given to Dr Owen, which was in contrast to the heckling he faced when he addressed the Liberal assembly two years ago.

Dr Owen was careful to deal with the activists' susceptibilities, praising the decentralist emphasis of Liberal policy. His theme was that the Alliance now filled a vacuum, having attracted the vast majority of previous Labour supporters who had voted Tory in 1979 or 1983. He said the Alliance's first task was to seek and hold that vote.

He repeatedly referred to the need for the Alliance to create a sense of national unity and said that, if unemployment could be brought to a declining trend, the whole climate in Britain would suddenly change.

Dr Owen defended his stance of talking about the balance of power, since he believed this realism had increased the Alliance's credibility and boosted public belief in the possibility of an Alliance government.

Joint election strategy planned

BY KEVIN BROWN

THE LIBERAL PARTY yesterday committed itself to the closest possible relationship with the Social Democratic Party, including joint policy formation, in the run-up to the next general election.

Delegates from all sections of the party endorsed the Alliance strategy and pressed for closer co-operation at all levels. In marked contrast to previous Liberal assemblies, there was virtually no criticism of the Social Democrats.

Speakers who pressed for an end to joint leadership of the Alliance found little support, as did a delegate who attacked the performance of the successful Liberal by-election team as "illiberal, hypocritical and downright dishonest."

Delegates voted overwhelmingly for a resolution calling for the establishment of a joint Alliance election campaign office by next January and urging a sharper presentation of Alliance policy.

Opening the debate, Mr Viv Bingham, a former president of the party, said the Alliance had to aim for outright victory at the next general election.

Mr Andy Ellis, the acting secretary general, said the general election campaign was on the political agenda immediately. He called for more joint policy development, better training of party activists and more campaigning on issues at all levels.

Mr Des Wilson, a member of the national executive, said the Alliance had to win power before the decline caused by the other two parties became irreversible. He urged delegates to accept the joint leadership of the Alliance by Dr David Owen and Mr David Steel.

Mr David Alton, a Liverpool MP, dismissed calls for a single Alliance leader. Politics would in future require co-operation between parties and it would be dishonest not to face that now.

Mr Alan Sherwell, a member of the national executive, said there were serious reservations among party workers about the way in which joint policy was being formulated.

Parties face the test of credibility

By Our Political Editor

"CREDIBILITY is the name of the game in our new politics. You prepare for government by acting like a government in the day-to-day decisions of opposition," said Dr David Owen, the Social Democrat leader, on the eve of the Alliance conference season nearly a fortnight ago.

Judged by this yardstick, the Liberals and Social Democrats now do appear much more than parties of protest. Yet they still have a long way to go to appear a "credible" alternative government.

There is certainly a sense of responsibility and serious mindedness absent from Liberal assemblies in the past. The group of boat-rockers, previously described as individualists masquerading as Liberals, is now limited to a couple of dozen young Liberals, as was shown yesterday both in the warm reception given to Dr Owen and in the tone of the lively debate on preparing for government.

Attacks on the leadership received a lukewarm response, though there was some sympathy for Mr William Wallace after the somewhat heavy-handed treatment he received after the leaking of his paper on the inadequacy of Alliance preparations for government.

The most vivid illustration came when Mr Des Wilson, the long-standing environmental campaigner, talked almost in a language of a Labour Party boss in urging delegates to accept compromise and democratic decisions on Alliance policy and then to unite.

The key to the change in mood is probably the success of the Alliance in May's local elections. Ms Maggie Clay, the organising secretary of the Association of Liberal Councillors, argued that something fundamental had happened to the party – following the local elections it believed it could win. She argued that these councillors could contribute significantly to the preparations for power.

This argument should not be taken too far since council politics is very different from Westminster politics, and local councillors, however good, often do not adjust to the House of Commons.

The other strand in the "credibility" debate is Mr Wallace's argument that the Alliance, with its limited experience of government, needs to do much more to learn how to deal with Whitehall. This is similar to the debate among Labour politicians before that party's 1964 victory.

The Alliance can capitalise on the Cabinet experience in the late 1970s of a few SDP leaders, but otherwise many of its spokesmen lack authority, particularly on major economic and international issues.

For all Labour's problems, its shadow Cabinet still has more plausibility as an alternative government than the Alliance.

Economic policy to tackle unemployment

A CRASH PROGRAMME of infrastructure development emerged yesterday as the probable centrepiece of Liberal economic strategy for a incoming Alliance government.

Public capital spending would be backed up by tax incentives to promote private industrial investment, an expanded training programme and a statutory incomes policy.

The programme appeared yesterday as the core of a draft resolution on economic policy produced by a working party on the regeneration of the economy.

The resolution, which will be debated tomorrow, is deliberately short of detail. It makes clear, however, that unemployment is regarded as a dangerous source of social instability and will be the focus of Alliance economic policy.

Some specific measures are recommended in the resolution. They include full British membership of the European Monetary System in order to stabilise exchange rates and international action to ease the Third World's debt crisis.

The emphasis is on developing an "alternative" economic strategy based on conservation and environmental protection and stressing worker participation in industry and decentralisation of financial institutions.

There was little support for calls for a statutory body along the lines of the U.S. Securities and Exchange Commisson to regulate the City of London.

□ LOCAL authorities leaving property empty for more than three months should be obliged to make it available to those willing to use it, conference agreed.

Delegates in the debate on housing rejected the inclusion of private property in such a policy.

Mr Simon Hughes, a London MP, said Liberals did not accept the magic of the marketplace should determine the housing policies of the country. Policies should be based on need.

□ A CALL for the replacement of local authority education committees by directly elected councils was rejected by delegates.

The remainder of a lengthy motion entitled Opening up Education was overwhelmingly approved.

Proposed policies ranged from integrating the present system of training and education under a new Department of Education and Training to more training for school governors.

Reuters starts new service

BY CHARLES BATCHELOR

REUTERS, the international business information group, yesterday launched a new service which allows subscribers to compare quotes for a range of international stocks supplied by competing securities dealers on a single page of its Monitor system.

The introduction of Reuters new "composite" pages is the first step towards the development of a dealing system for internationally traded securities. It highlights the competition between Reuters and the London Stock Exchange to create a marketplace for leading international stocks.

The stock exchange has been upgrading its Topic network over recent months by the introduction of its own composite pages for a range of international stocks.

This is a prelude to the creation of SEAQ, the stock exchange automated quotations system, which is also expected ultimately to develop into a dealing system.

Reuters has begun with 66 composite pages in Canadian, Japanese, Dutch, U.S. and South African stocks, but expects to increase this to about 150 pages very soon.

Thirteen banks, securities dealers and brokers are supplying prices to Reuters. They include Bache Securities, Deutsche Bank, Drexel Burnham Lambert, Goldman Sachs, Robert Fleming and Sun Hung Kai Securities.

A further 17 market makers already supply Reuters with prices on their own individual pages. A number of UK jobbers and brokers are prevented from supplying data to the composite pages by a stock exchange ban on co-operation with the composite service.

The stock exchange is keen for its members to be clearly identified in any composite service to highlight the fact that they are subject to the exchange's regulations. Reuters and the exchange are attempting to negotiate a compromise.

Raleigh launches 'electronic' bicycle

BY CHRISTOPHER PARKES

"EVEN THE COLOURS are loud," boasts TI Raleigh of the Vektar, its new electronic bicycle launched in London yesterday.

Retailing at about £200, the Vektar Electronic bicycle is equipped with a three-station radio and a simple computer and display which shows speed, distance covered and the time. In place of a bell, a sound synthesiser offers a wide assortment of howls, blips and wails.

"Output is only about 0.9 watts," says Mr Rob Mills, marketing manager. "So it's quieter than a motorbike."

The bicycle is available for about £50 less with only the casing for the electronics in place. The electronic accessories are also available in kit form.

Raleigh, the loss-making subsidiary of the TI engineering and appliances group, claims the bicycle is the first of its kind in the world.

It is planning to start exports to the Netherlands, Belgium, West Germany and the U.S. in the new year. For the time being, the single production line at its Nottingham plant is fully occupied in meeting UK demand for the Christmas market.

A touring trade show has led to 20,000 orders, according to Mr Bob Ing, managing director, and offers of delivery had to be restricted towards the end of the trip because production capacity was being outstripped.

The bicycle is aimed specifically at boys between seven and 12 years old. The company hopes to revive sales in a sector which has faded badly since the BMX and other stunt cycles began to lose favour.

The limitations of the BMX and similar cycles have hit sales, which have fallen sharply from the 700,000 annual peak reached in 1983-84. Overall UK cycle sales last year fell 7 per cent and imports continued to erode British manufacturers' market share.

Raleigh lost £4.5m last year, compared with £2.5m in 1983.

The Vektar is not designed for stunts. It has three-speed gears, mudguards, reflectors and other characteristics of a traditional cycle.

The company, expecting a rash of similar bicycles from other manufacturers next year, is confident that it can maintain a lead in the market. "There may be me-too bikes, but they are going to look it," says Mr Mills. Raleigh has been working on development and tooling since 1981, he adds.

UK NEWS

Tug-of-war for Liverpool's purse strings

Nicholas Bunker and **Richard Evans** explain how the Thatcher Government became embroiled in a municipal budget conflict that it cannot afford to lose

A CONFRONTATION between the Government and Liverpool has been building up for months and there is now the real possibility that the city will become both bankrupt and ungovernable this autumn.

The battle being waged with increasing intensity, began over the issue of the control central government should exercise over local authority finance, but it has now developed into a test of strength of a single left-wing led authority to defeat the objectives of a Conservative Government.

It is a conflict the Government simply cannot afford to lose but one which Liverpool's leaders still believe they can win.

Mr Tony Byrne, chairman of the city's finance and strategy committee like Mr Derek Hatton, the left-wing deputy leader and other Labour colleagues, believes that the city will not only win its latest budget battle with the Government, but will sweep to power in council elections next spring. He says that he intends to continue the ambitious spending programme that has already seen the construction of 3,600 new corporation homes in a city notorious for its poor housing conditions and unemployment.

But despite the rhetoric emerging from Liverpool's grandiose 19th century municipal buildings this week, there are signs that the crisis could be resolved by the council being forced to abandon many of its ambitious schemes in order to release desperately needed cash.

A period of chaos is now inevitable following the call this week by the joint shop stewards committee for an all-out strike of council workers from next Wednesday, but what could prove decisive in forcing a change of mind on the council leadership is the scale of support the strike receives.

Privately, some union leaders predict that no more than 10,000 of the 30,000 workers will vote over the next few days to back a stoppage. This would mean that finance would have to be found to pay employees who continued working beyond the end of the month. As it stands the city treasury has no authorisation to pay wages beyond September 30.

Mr Kenneth Baker, the Environment Secretary, has already rejected a request from Liverpool for a £25m loan to tide it over the next few months, so the wages would have to be funded locally.

Mr Michael Reddington, city treasurer, reported to councillors 10 days ago that it would be feasible to transfer £27m earmarked for council house maintenance and repairs. Such a move has already been rejected by Mr Byrne but the pressures might become so great that the option might have to be taken up and the crisis averted, at least temporarily.

This is the course that Sir Trevor Jones, leader of the city council's Liberal group, expects the conflict to take. He believes the Labour leadership and its union supporters have been struggling from one crisis to another in the hope of eventually being bailed out by the Government, but that sooner or later they will be forced to agree to transfer the £27m.

It is also the option Mr Baker would like to see adopted by the council, given that the alternative of increasing the rates to meet the deficit would entail an even more humiliating climbdown.

Ministers and officials are understandably wary about predicting what might happen in a situation that changes almost daily and where they are anything but privy to the arcane tactics of Labour's inner caucus.

The primary message from Whitehall is that the ball is more than ever in Liverpool's court and it is up to the local councillors to sort out the mess they have got themselves into.

There are no plans to send in troops to provide essential services – Mr Hatton and other leaders have said they intend to keep these going despite the strike – and certainly no intention of sending in local commissioners to run the city in place of the local authority.

This is seen as a move of last resort that would require special legislation and if necessary the recall of parliament. Local services would have to degenerate to an alarming extent before it would even be considered.

The problems have arisen because the council refused to balance its budget for 1985-86 in protest at government cuts in grant in the current and previous years. The council set a budget of £265m (in June) but levied only a 9 per cent rate (local property tax) rise. After grant penalties for overspending government targets, this left a deficit of more than £100m.

In a move given little publicity at the end of July the budget was reduced to £255m bringing the deficit down to about £80m because of the way grant aid operates.

The Government has been paying grant due on the council's budget since the start of the financial year but at a rate assuming a budget at the Government's target level of £222m. Penalties for having a substantially higher budget means that grant payments will shortly dry up.

Treasury officials calculated at the time of the June budget that the city would run out of money to pay wages around December 18, and would therefore be forced to issue 90-day redundancy notices to all staff three months in advance.

Such a move was prevented on Monday when council shop stewards occupied the Town Hall to stop councillors attending the meeting to approve the redundancy notices. This has brought the crisis much closer.

An alternative left to the council would be to use wages saved during an all-out strike by council staff to finance itself untill the end of the year. But, one senior council union official said: "It would be totally wrong to imagine that a majority of council workers in any union is actually going to support a strike."

The two teachers' unions, the NUT and the NAS/UWT, each representing about 2,500 teachers, has already rejected the joint shop stewards' committee's call for an indefinite stoppage. Informed sources say that Nalgo, the local government union's 8,200 members will also vote against industrial action at a mass meeting planned for next Tuesday.

Even a stoppage confined to the 9,000 General Municipal and Boilermakers' Union members in the council workforce might bring the city's services to a halt because of their control of crucial positions.

Some council union officials admit that there is considerable confusion and uncertainty regarding the council's strategy among Labour supporters in the city in spite of firm opposition to the Conservative Government's local government spending policies.

European Court of Justice to rule on oil export restriction

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT, IN *LUXEMBOURG*

TODAY, for the second time in four months, the British Government will appear before European judges to defend a policy formulated by a Labour predecessor.

In June the forum was the Human Rights Court in Strasbourg, where government lawyers argued in support of the 1977 Aircraft and Shipbuilding Industries Act, a nationalisation measure passed when Mr Tony Benn was Labour's Industry Secretary.

Today the venue is the European Court of Justice in Luxembourg, where the issue will be a 1979 policy statement – by Mr Benn, then Energy Secretary – effectively banning the export of North Sea oil to Israel.

The policy has been adopted by the present Conservative Government.

The question which the court has to decide is whether the ban is valid under EEC law, given a pre-existing free trade agreement between the EEC and Israel.

The matter has been referred to Luxembourg by the London High Court, which decided that it needed guidance on the application of EEC law to enable it to decide a dispute between oil companies.

In 1981 Sun Oil Trading agreed to sell North Sea crude to a Swiss oil trader, Bulk Oil (Zug), under a contract including the stipulation "destination free but always in line with exporting country's government policy."

Shipment at the Sullom Voe terminal in the Shetlands operated by British Petroleum was stopped when it was learned that Bulk intended the oil for Israel, whose difficulties caused by the Arab boycott had been exacerbated by the revolution in Iran, previously Israel's main oil supplier.

It was claimed that the shipment would infringe UK government policy, which restricted North Sea oil exports to EEC members, the International Energy Agency and Finland.

The subsequent dispute went to arbitration, at which Sun was awarded damages which, with interest, totalled nearly $15m, for Bulk's breach of the destination clause. Bulk's cross-claim of breach of contract was dismissed.

The award was upheld by the High Court, but Bulk was given leave to appeal on the sole issue of the validity under EEC law of Mr Benn's policy directive.

Bulk's argument was that the policy was invalid because it was contrary to an association agreement made in May 1975, between the EEC and Israel, preventing any EEC member imposing new restrictions on trade with Israel.

Sun and Bulk both asked the Commercial Court to refer the Euro-law issue to Luxembourg for a preliminary ruling – a move opposed by the UK Government.

Counsel for the Attorney General contended that no ruling on Community law was needed and that the contract between Sun and Bulk should be interpreted according to English law. The destination provision had been included merely to identify destinations to which the oil could and could not be sent, it was argued.

Mr Justice Bingham said that Community law could not be so easily sidestepped. The contract reference to "exporting country's government policy" must mean lawful policy, he said.

He could not accept that Bulk's apparent right to export to Israel could be properly restricted by reference to a policy which the Government was not lawfully entitled to adopt or pursue.

If the Government was not, as a matter of Community law, free to adopt or pursue a policy of restricting or discouraging oil exports to Israel, it was at least arguable that private parties could claim to ignore any contractual provision which purported to restrict their rights by reference to such a policy, the judge concluded.

The Commercial Court formulated a series of questions to be put to the Luxembourg judges. They included:

Did the EEC/Israel agreement of 1975 preclude the imposition of new quantitative restrictions on exports between the UK and Israel?

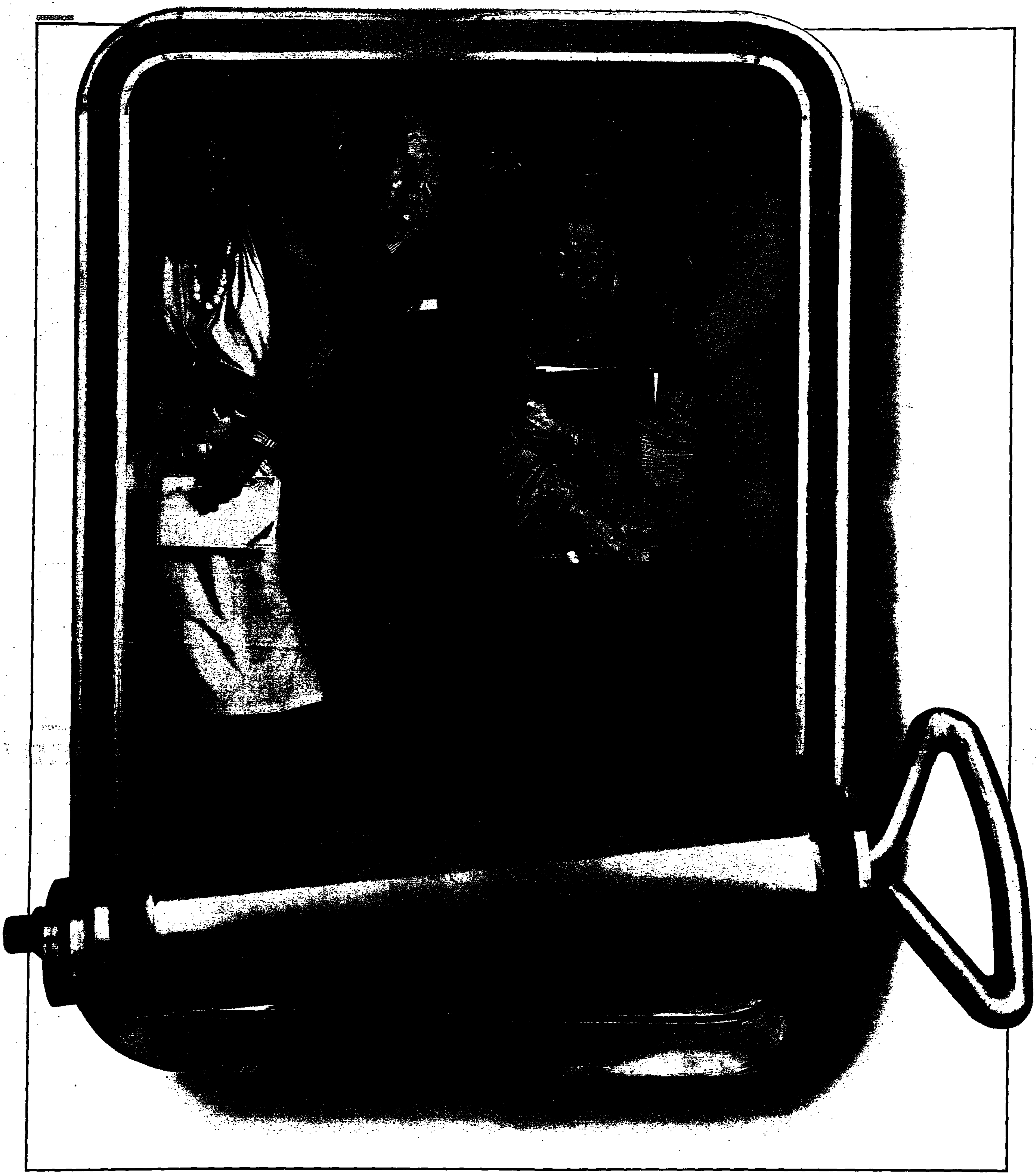
If so, did the bar cover UK crude oil exports?

Did it otherwise preclude the inclusion in a contract between two individuals of a provision which prevented the export of UK crude to Israel?

Was the adoption of Mr Benn's policy incompatible with the Rome Treaty, either wholly or insofar as it sought to affect or preclude the export of UK crude to Israel?

Can an individual rely on the 1975 agreement?

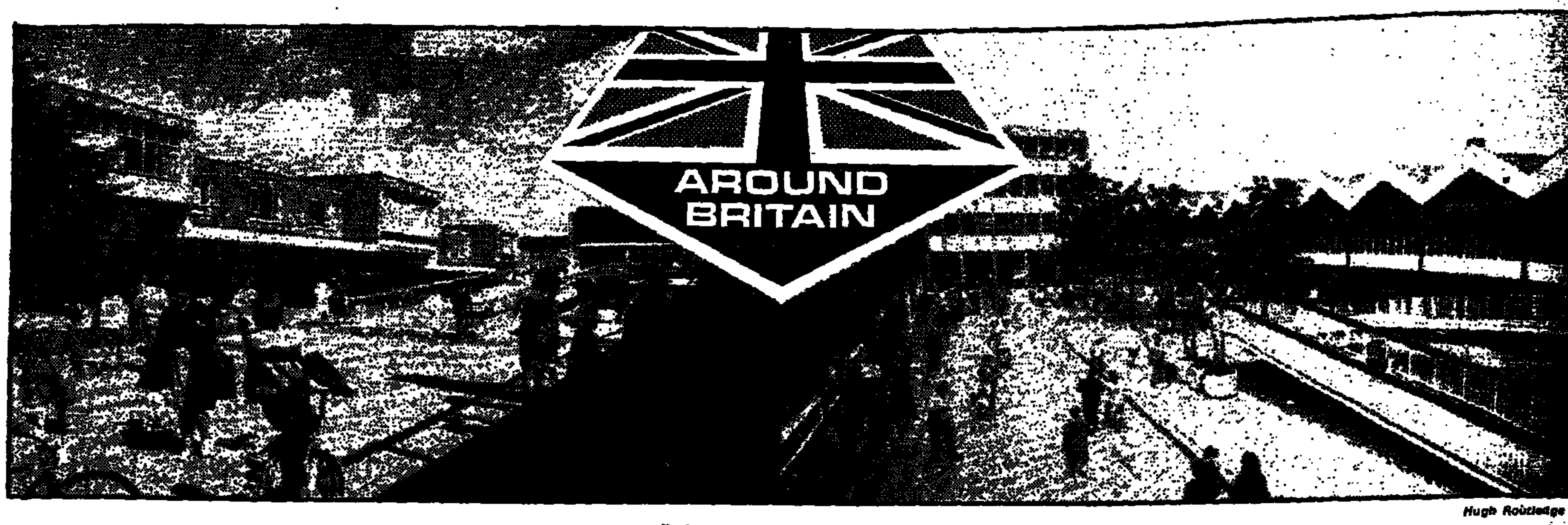
Finally, the Luxembourg judges will be asked to say whether the answers to the questions are affected by the fact that no objection has been expressed about the legality of the UK policy by either the Council of Ministers or the European Commission.



FT REGIONAL REPORT

AYCLIFFE AND PETERLEE

These two new towns in the North East fear the dissolution of their development corporation will not help their fight to contain a shrinking job market



Hugh Routledge

Pedestrians enjoy traffic-free shopping precincts in Aycliffe (left) and Peterlee

Moving into an uncertain era

By Nick Garnett

WITHIN two and a half years, the management structure that has guided the recent economic fortunes of Aycliffe and Peterlee, two of the first post-World War II new towns operating in the hard pressed industrial climate of the north-east, will have been broken up for good.

Unless there is a change of mind by central government, the single development corporation, which was finally fused early this year from two separate corporations, is to be dissolved in March 1988 in line with Whitehall's policy for most other new towns. What might replace the development corporation is still in the melting pot.

The two new towns each have a population of about 25,000 and are separated by 15 miles of open Durham countryside.

Along with the newer Washington New Town on Tyneside, they were the principal focus for jobs growth over the past two decades. However, Peterlee has outperformed Aycliffe during the past decade in maintaining jobs.

Total industrial employment in the former has risen steadily from 3,900 in 1973 to 6,500 today. Aycliffe's, which stood at 9,000 in 1973, climbed to 10,800 in 1980 but has now fallen to little more than 8,000.

No one doubts that unemployment would have been much worse in the area without the efforts of the new towns. Even so, following travel to work boundary changes earlier this year, Peterlee (Sunderland travel to work area) and Aycliffe (Bishop Auckland TWA) have 22 per cent jobless rates.

Dissolution, the date for which was originally set for this year but subsequently postponed to 1988, will be put into effect while unemployment remains acute. The Durham coalfield is still declining rapidly and the closure of British Rail Engineering at Shildon has created a new unemployment blackspot on Newton Aycliffe's doorstep.

That is why considerable local unease is expressed at what might replace what has been a one-stop shop promotional agency that has given this part of Durham a front to the outside world.

Aycliffe was given new town status in 1946-47 essentially to provide housing and shopping facilities for the 15,000 people who worked at the town's big munitions factor. Mining still held sway in the area, the economic base of which was particularly fragile.

The development corporation was not responsible for industrial development. That was left to what is now English Estates until 1973 when this role was taken over by the development corporation's management.

Peterlee was also provided with a development corporation immediately after the war. Unlike Aycliffe with which it has shared chairmen but until two years ago not staff, it was expected to shoulder an economic role from the beginning. Specifically, this was to boost employment opportunities, especially for wives of coal-miners. The coal industry was almost the sole employer after the war in this part of Durham. This role for Peterlee was coupled with that of building houses and providing a new focus for retailing and recreation.

Both development corporations therefore began with operation restrictions which hampered their work. Peterlee suffered a further problem in that two decades were needed to upgrade the main A19 north-south route near which Peterlee was built.

The 1963 Hailsham report, which laid the basis for a spurt of government investment in the north-east, provided a big stimulus to the new towns, even though they still had to contend with a number of drag factors. The development corporation complains, for example, that the unadjusted total of capital expenditure of £70m each on the two new towns since the middle 40s is less than one year's total for Milton Keynes.

Apart from the £140m of capital expenditure, the Department of the Environment has also injected about £85m to cover revenue shortfall. The development corporation currently earns about £3.5m a year from commercial property rents.

14,600 houses

More than 14,600 houses were built by the development corporations, split almost equally between the two new towns. Just over 1,000 in Aycliffe were sold before the housing stock was transferred to Sedgefield council in 1978. A little under 500 of those in Peterlee were sold before transfer to Easington council in the same year. This is a very substantial building programme and does not take into account private house-building on corporation land.

The local authorities, though, have also taken on a burden. Under the government's drive in the 1960s for faster house building and the encouragement, through virtual directives, to use system-built techniques, a substantial proportion of the flat-topped homes suffer from problems of water penetration and concrete corrosion. Maintenance costs are high, though to be fair, much of the old housing they replaced was sub-standard.

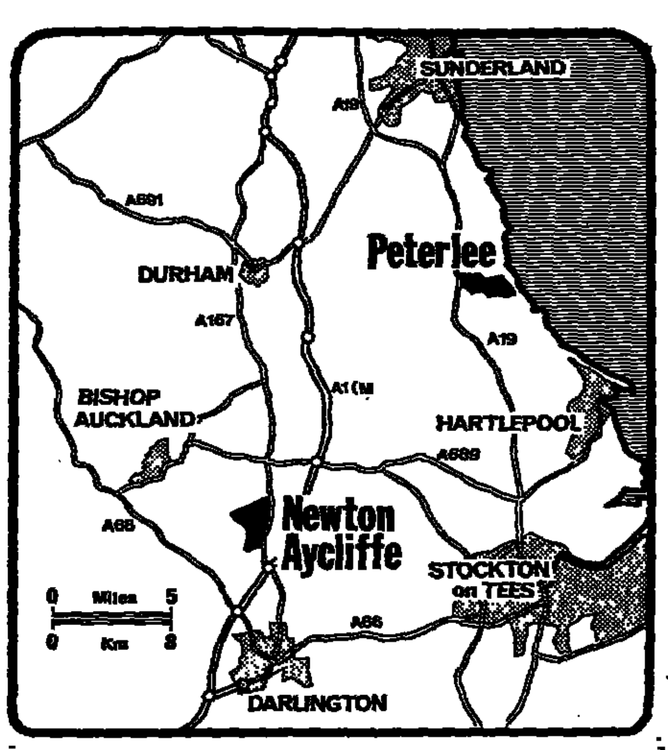
The development of the new towns has been shaped by the county's strategic plan which identified their role simply as regional subcentres. Even so Aycliffe's population is more than double the 10,000 initially envisaged.

New housing was built close to the shopping centre which has meant unfortunate physical constraints on the expansion of retailing facilities to cope with a higher than expected population growth.

In Peterlee the town's shopping core has been affected by an architectural design fault. It was built on two levels but shops on the upper level have proved difficult to let.

Inevitably the new towns have a bland quality which is not to everyone's taste but they are generally neat and tidy.

Performance must be largely measured in terms of jobs, company relocations and start-ups. The good road system and the closeness of Teesside, Britain's third biggest port system in terms of cargo handling, has helped to attract a wide range of companies, many big names in their industrial fields.



Factory floorspace figures reveal big building programmes, particularly by English Estates. Aycliffe has 5.4m sq ft of which 4.8m is occupied by 155 companies. Peterlee has 3.3m sq ft of which 2.8m is occupied by 100 companies.

In the past decade Aycliffe has run just to stand still, while Peterlee has steadily grown as an employment base. One reason for this discrepancy is the industrial profile of the two towns. Another is that Peterlee had special development area status from 1972-84 (now development area), while Aycliffe was development area only from 1972-80, was downgraded to intermediate for four years and is now a development area.

In the first two decades of its life Aycliffe got off to a good start in jobs growth, far outstripping Peterlee. It has suffered big contractions in the past five years, however, particularly in mechanical engineering. Closures have included Abex Engineered Products, Ozalid Engineering and Fletcher Sutcliffe Wild.

Eaton makes truck axles at Aycliffe but has cut its workforce from 1,200 in 1973 to less than 300. Other companies that have shed substantial labour include GEC, Flymo, Ariston Domestic Appliances and Underground Mining Machinery.

Peterlee has also suffered a rash of plant closures since 1973 but it has done much better than Aycliffe in terms of job preservation at sites which have survived, and in attracting new companies. The latter include NSK, DJB and Fisher-Price.

As a result of these changes Peterlee's industrial profile has markedly changed. Its employment base was dominated 12 years ago by textiles and clothing (60 per cent of industrial workers) and food, drink and tobacco (19 per cent). These sectors are mainly employers of women, reflecting the corporation's industrial role. Then 64 per cent of all employees were women.

Now Peterlee's engineering, vehicles and other manufacturing sectors account for 37 per cent of industrial employment (1 per cent in 1973) while textiles, still the biggest employer, is down to 31 per cent.

The survival of jobs in Peterlee has been particularly helped by both its early history of clothing-related female employment, now a national growth sector, and the fortunate survival of most of its newer engineering jobs.

Outsiders with the benefit of hindsight criticise the new towns for not helping to foster more of a small business ethic. Mr Garry Philipson, Aycliffe and Peterlee's Development Corporation's managing director, says that the capital base was too low for this, and the climate when the new towns were growing was far different from what it is now.

AYCLIFFE AND PETERLEE 2

Some of the toys made at the Fisher Price plant

PROFILE: FISHER PRICE

Around-the-clock production

THE DECISION by Fisher Price, the pre-school toy manufacturing subsidiary of the big Quaker Oats group of Chicago, to establish a plant in Peterlee was an important breakthrough for the area as a whole.

Its plans, as presented in 1978, made it potentially one of the biggest employers and left the way open for substantial expansion. The timing of the move was also important as it came during a period of mixed success in attracting business.

Fisher Price began producing its range of plastic toys for children up to the age of five years at the site in June 1978, using a floor space of 50,000 sq ft. Its expansion since then has been one of the most rapid in the area in terms of space and employees.

Using production techniques largely imported and adapted from its large production facilities in the U.S., the company now employs more than 500 people and operates on a floor space of 280,000 sq ft with the question of further expansion of space and staff under consideration.

The Peterlee site has become the company's main European manufacturing facilities, ahead of a second plant in Belgium, and this lead over the Belgium plant will increase if further development is undertaken.

According to Mr John Armstrong, the group's operating director of European business, £70m of Fisher Price's total net sales of £500m last year were from European operations.

From the plant the group exports to every Western European market with France and Spain growing in importance as sales areas. It also holds an important slice of the British market for its range of products. In choosing Peterlee as the site a firm of independent investigators felt it had advantages over several other possible locations in Britain and Europe.

One of the most important factors in the decision was the availability and cost of labour, while the financial package put together by development authorities held advantages over others competing for the business.

The geographic location of the site, however, proved an initial problem due to the bulky nature of the material used in some of the toys in its range. This has become less difficult because of alterations in transport methods.

The Fisher Price plant is one of the few in either town that works 24 hours, seven days a week.

Mr Armstrong, who has held senior management posts in Britain and the U.S., speaks highly of industrial relations at the plant and says that he has never experienced better co-operation from staff and employees. This he attributes to the introduction of modern work practices and equipment.

R. B.

INDUSTRY

Strategy switches to small sites

THE CHALLENGES facing the Aycliffe and Peterlee development towns are considerable. For continued expansion they must compete against other development towns in Britain to attract new businesses, while weathering the depressed economic and industrial climates that are afflicting the north-east of England.

Fewer companies are interested in expanding within the region, and the towns must instead turn their attention ever wider for the new industries to fill the modern, vacant sites that dot the landscape.

Both areas, nevertheless, have sound records of achievement when measured against the region as a whole and against other similar development zones less exposed to economic extremes.

The area's virtues in terms of geographic location and infrastructure have persuaded companies from West Germany, Scandinavia, Japan, Italy, Switzerland, Hong Kong, and most recently Spain, to plough in funds and in many cases expand initial investments.

A large proportion of funds entering the area from domestic sources has been concentrated in the service and engineering sectors with the bulk employing less than 50 people. The authorities see this as an expanding area and for this reason have emphasised small site construction in overall development strategy.

Exemplifying this trend which has grown in recent years, of the 155 companies in Aycliffe 122 employ fewer than 50 people and their total workforce is 1,168 while in Peterlee 75 of the 95 employers have fewer than 50 workers on the payroll and their total workforce is 849.

Change in profile

The next biggest sector employs between 51 and 100 people. In Aycliffe there are 15 such employers and in Peterlee nine, employing 1,105 and 693 staff respectively.

GEC is the largest employer in either area with its Aycliffe plant sustaining a workforce of 1,716. Peterlee possesses no plant with over 1,000 staff, and its five biggest sites employ a total of 3,454.

The most dramatic change in the areas' industrial profile has been this growth in the engineering and service areas which has served to fill the vacuum left by the decline in importance of the textile and clothing sector.

In 1973 60 per cent of the Peterlee workforce was employed in textiles and clothing. The sharp slump in the industry's fortunes nationwide fell heavily on the area, and today, while still the largest sector, it employs only 31 per cent of the total workforce.

During the same period, the workforce employed in food, drink and tobacco has declined from 19 to 14 per cent, while employment in engineering has increased from 1 to 14 per cent.

As a result of this decline in clothing and textiles, and the growth of engineering, the make-up of the workforce has altered to a point where male employment represents 48 per cent of the total, compared with 36 per cent in 1973.

These shifts in sector employment levels have gone on without an improvement in the total employment levels. Aycliffe, in fact, has registered a net decline in employment. According to the local authorities' figures, the number of people employed has declined from 10,819 in March 1980 to 8,244 last March. Reflecting increasing redundancies in neighbouring coalfields and ancillary industries, unemployment in the area rose from 7 to 14.8 per cent in the five-year period. On the basis of the changed travel boundaries it stood at 22 per cent in June.

Unemployment

In Peterlee the total number of people employed edged ahead from 5,501 to 6,492 in the same period despite a doubling of the unemployment rate from 8.9 to 16.3 per cent. Under the new wider boundaries now in operation, the rate stands at 21.7 per cent.

However, as can be seen from these figures, employment levels in the two industrial estates have held relatively well against the tide of growing unemployment hitting the two towns.

Few of the British and international companies that have moved to the towns' industrial estates have chosen to make them their head office sites. To date only one large group has made the decision to relocate its administrative centre as well as production to the areas, with the vast majority choosing to leave their home bases intact in London or other large regional centres.

According to one executive in the area many companies have relatively short-term objectives in the areas and wish to keep open the option to transfer to other centres of production should these become more economic.

Without this additional commitment to the areas, international companies particularly are more likely to curtail or cut back activities in Peterlee and Aycliffe earlier than in other areas of Britain where they have their head offices and manufacturing sites.

A problem which development authorities have overcome in attempting to lure business to the area is the fear on the part of incoming companies that they may become embroiled in industrial disputes as unions wrestle with management to halt closures.

Though the majority of the workforce on the Aycliffe and Peterlee estates are unionised the number of hours lost through disputes is a fraction of national levels and, according to several companies which have introduced new technology, including robotics, implementation has met with little disruption.

Managers say that modern plant, equipment and facilities at the sites minimise friction on a day-to-day level, reducing the likelihood of confrontation over altered work practices. Management at most sites is considerably younger and more amenable to consultation with employees than in the large industrial plants elsewhere in the region which have closed in recent years.

International companies, particularly West German. Scandinavian and Japanese firms are also using management techniques encouraging greater consultation with employees.

Wage and salary levels are lower than for equivalent jobs in the south of England and this has been an important factor in attracting business. Small companies choosing either Peterlee or Aycliffe as sites for expansion have found the wage levels an important factor in their decision.

A sample of wage and salary levels provided by the authorities is: works manager (£11,000-£17,000), accountant (£9,000-£16,000), quality control engineer (£9,000-£11,250), production foreman (£7,500-£8,250), maintenance electrician (£6,850-£8,000), process worker (£4,750-£5,250), typist receptionist (£4,000-£4,500).

Being only 15 miles apart, the industrial estates share good transport links both within Britain and to the Continent, which have been strong selling points since their inception.

The relative proximity to Scandinavia for access by sea and air has been important in attracting a high number of companies from the region and it is viewed as holding the potential for further investment from additional companies.

The Scandinavian companies already on site include Electrolux, Norsk Hydro, Mustad and Son and Perstop Ferguson.

There are daily flights to Stavanger and Copenhagen from Newcastle airport and Teesside offers daily flights to Stavanger. Stavanger is one hour 15 minutes flying time away and Copenhagen one hour 30 minutes away. Other European destinations served by the airports are Paris, Amsterdam, Bergen, Dusseldorf and Dublin, with the maximum flying time to any of these one hour 30 minutes.

Aycliffe and Peterlee are located within easy reach of the ports at Teesside, Hartlepool, Sunderland, Seaham and Tyneside. There are frequent container and conventional mixed cargo services including roll-on roll-off facilities available to major EEC ports and Scandinavia.

While both estates have good road connections to motorways going north and south, their distance from southern population centres places them at a disadvantage over other industrial centres with which they are competing to attract new capital.

By road the estates are approximately seven hours 15 minutes away from London, five hours 30 minutes from Glasgow, five hours from Birmingham, four hours 30 minutes from Liverpool and four hours from Manchester for heavy goods vehicles.

The main station serving Peterlee is 12 miles away at Durham and inter-city trains to London can take as little as three hours. Aycliffe's closest major station is at Darlington and the fastest train to London takes slightly over two hours 30 minutes.

Aycliffe's rail freight services centre at Stockton on Tees which is approximately 15 miles away and from here connections can be made with all parts of the UK and Europe.

Ray Bashford

PROFILE: FLYMO

Expansion through robots

WHILE BRITAIN has been lamenting its lost summer, a company in the Aycliffe industrial estate has been counting it as a blessing as sales blossom.

Flymo, a subsidiary of the Swedish Electrolux group, expects sales this year to advance by 11 per cent as the company strengthens its grip on a major share of the European lawnmower market.

The company's general performance is tied closely to the vagaries of the weather and the near record rainfall figures this summer over most of Europe have come as a much needed boost.

The sales growth should push the total figure through the £1m level for the first time and allow it to improve on the break even profit performance of the previous financial year.

Flymo operates as an integrated part of one of the areas most sophisticated manufacturing plants. The bodies for the lawnmowers are produced on plastics extrusion equipment which also turns out most of the plastic components for Electrolux's range of vacuum cleaner appliances.

However, the Electrolux plant at Luton remains the company's major manufacturing and assembly site for vacuum cleaners and home appliances in Britain, with Aycliffe further contributing as a parts storage area.

A feature of the company's development in Aycliffe has been the introduction of 32 robots which operate in parts manufacturing, assembly and packaging processes.

In 1983, the company won a Queen's award for manufacturing technology for its use of robotics, a year after an award for exports as recognition of Flymo's achievement in overseas sales.

Despite the introduction of robots the group has progressively increased its workforce since the plant was established in 1964 from 200 to today's figure of 630, although there are no immediate plans to expand as the company has reached what executives call "a plateau of productivity."

The acquisition of Flymo in 1968 gave the impetus to the plants fastest period of growth. Since 1975 the plant's space has doubled to 100,000 square feet.

The plant is also used for research and development projects and executives estimate that 2.5 per cent of annual gross turnover is employed for this purpose. The plant of course also draws heavily on Electrolux's manufacturing innovations.

Executives say the introduction of robotics and their subsequent use has been achieved with a minimum of industrial unrest. The plant follows the Electrolux policy of maintaining close liaison with staff on changes in the work environment and attribute this as well as modern working conditions as being responsible for the excellent industrial relations.

R. B.

Assembling and packing Flymo lawnmowers

HOUSING

Drive to widen property range

SEVERAL PRIVATE housing projects under way near the towns of Peterlee and Aycliffe should help to increase the range of homes available in the area and activate an almost static property market.

The new houses vary widely in design, in contrast to those on council estates, and differ correspondingly in price and location of the sites.

They feature "executive" level houses, satisfying an increasing demand as companies in the industrial estates attempt to lure more senior staff.

The lack of sufficient high quality housing was cited by several companies as adding to their problems in recruiting experienced middle and senior management, no matter how attractive the financial package they were offering.

With housing prices in the towns at a virtual standstill, and the turnover of property very slow, a prospective employee moving to the area often doubted the wisdom of an investment in a house and therefore became less inclined to re-locate.

Woodham Village in Aycliffe is serving as a model for the area, taking advantage of the area's natural beauty through its location alongside a golf course and equestrian area.

At the top end of the market Poco Homes is offering four-bedroom detached houses for between £42,995 and £62,995 while two-bedroom town houses and three-bedroom town houses are on the market for between £19,650 and £39,750.

Housing developments in Peterlee also feature "executive" accommodation and are located on the fringes of the towns, adjoining nature reserves. The Oakerside Park development which includes project built houses as well as plots for individually designed houses should provide 1,000 new private dwellings by 1987.

Most of the public sector housing estates were constructed in the 1960s to replace dwellings from the previous century. The areas surrounding the estates are well maintained and landscaped. Severe structural problems have developed, however, with many needing major remedial work. A large proportion of these dwellings have flat tops and water penetration has forced large-scale work to replace the roofs.

However, despite this problem, and the state of the property market generally, 33 per cent of Aycliffe's 8,800 dwellings are owner occupied while in Peterlee there is a 30 per cent ownership rate of the 8,300 dwellings. These figures have grown in recent years as occupants have responded to the present Government's incentives for people to buy council houses. An ex-council house has a market price of about £15,000 while a semi-detached house in either town has a base level of around £22,500 and a detached house has a going rate of £31,500.

Looking further afield there is more attractive housing available in surrounding villages and neighbouring towns, such as Durham, which has seen an unexpected acceleration in property prices particularly near the centre of town.

To support the development of industry in the area there is a business school and a centre for material science and technology which is collaborating with industry to deal with problems facing the north east region as a whole.

R. B.

INDUSTRIAL FASTENERS

William Dullforce on the growth of a Liechtenstein family concern

Hilti drills out bigger market niche

HILTI is a name which adds *a solid industrial dimension to* the tax haven-cum-Ruritania image of Liechtenstein. From the 160 sq km principality squeezed between Switzerland and *Austria, it runs a SwFr* 1.5bn ($630m) business in 80 countries, supplying drilling machines and fastenings to the building industry.

The international leader in fastening *systems,* Hilti was set back on its heels by the recession in world construction at the beginning of the decade. Earlier in 1976-79 it had enjoyed *an average growth of 20 per* cent in annual sales but in 1982 group turnover, up by only 1.7 per cent, fell in real terms and net earnings at Hilti Corporation, the parent company, slumped by 27 per cent.

An energetic response to the situation included a top management shake-up, a revitalising *of the marketing apparatus,* the introduction of a logistics system to improve material flows, investment in computer-aided production techniques, and a search for new sales areas.

Last year these efforts started to pay off. Consolidated sales grew by 15.4 per cent to just under SwFr 1.5bn. Hilti Corp's net earnings climbed by 39 per *cent to* SwFr 32.5m and cash flow swelled by 32 per cent to SwFr 86.5m.

The growth in sales stemmed partly from the strength of the dollar, but, with the construction industry still wallowing in depression, it also indicated that Hilti had managed to elbow its way to a larger market share.

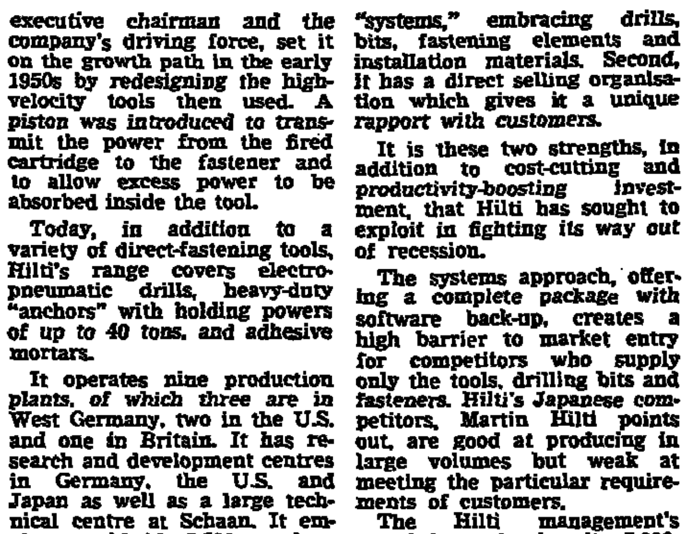
A family-owned concern, Hilti does not issue a consolidated report but the balance sheet and *profit-and-loss account* published by Hilti Corporation of Schaan, Liechtenstein, which cover the production plant at Thüringen, Austria, reflect an impressive financial strength, reinforced by last year's operations.

The new logistics system helped to reduce funds tied up *in inventories substantially.* Liquid funds increased by SwFr 42m to SwFr 193m, opening the way for the early payment this year of SwFr 65m in notes *taken up in 1981 and 1982 at* 6.75 per cent interest.

The improvement in net earnings was realised in spite of increased spending on research and development, promotion costs for new products and a 30 per cent rise in depreciation provisions. At the end of the *year shareholders'* equity, boosted by SwFr 161m in "extraordinary reserves," equalled almost half the balance sheet total of SwFr 654m.

The "niche" in which Hilti is a giant is in supplying building and civil engineering com*panies with sophisticated tools* for driving with explosive power pins, studs and other fasteners into steel or concrete.

The company started as a *five-man workshop at Schaan in* 1941. Mr Martin Hilti, its founder and now, at 70, still executive chairman and the company's driving force, set it on the growth path in the early 1950s by redesigning the high-velocity tools then used. A *piston was introduced to trans*mit the power from the fired cartridge to the fastener and to allow excess power to be absorbed inside the tool.



Mr Martin Hilti (left), the company's founder and driving force and an electropneumatic rotary hammer drill in action

Today, in addition to a variety of direct-fastening tools, Hilti's range covers electro-pneumatic drills, heavy-duty "anchors" with holding powers of up *to* 40 tons, and adhesive mortars.

It operates nine production *plants, of which three are in* West Germany, two in the U.S. and one in Britain. It has research and development centres in Germany, the U.S. and Japan as well as a large technical centre at Schaan. It employs worldwide 8,500 people—a decline of 1,100 from the peak reached in 1981.

The biggest single-country market is the U.S. The "western hemisphere," which means mostly the U.S. and Canada, generates 35 per cent of sales. Europe provides 45 per cent, *including* 14 per cent from West Germany, and the remaining 20 per cent comes from the Middle and Far East.

The Liechtenstein concern's main competitors are *Bosch* and AEG from West Germany, Makita and Hitachi from *Japan and Ramset of the U.S.* Hilti believes it possesses two big advantages. First, it offers "systems," embracing drills, bits, fastening elements and installation materials. Second, it has a direct selling organisation which gives it a unique *rapport with customers.*

It is these two strengths, in addition to cost-cutting and *productivity-boosting* investment, that Hilti has sought to exploit *in fighting its way out* of recession.

The systems approach, offering a complete package with software back-up, creates a high barrier to market entry for competitors who supply only the tools, drilling bits and fasteners. Hilti's Japanese competitors, Martin Hilti points out, are good at producing in large volumes but weak at meeting the particular requirements of customers.

The Hilti management's proud boast is that its 5,000-strong marketing force makes 25,000 contacts a day with customers. *About half the force* are salesmen, the rest being technicians providing the maintenance *and* other back-up and office staff.

The ability to manage this large sales *force* is one of the keys to Hilti's future performance. As Mr Wolf-Dietrich Stoff, the director responsible for the Pacific, Middle and Far East, explains, *if it can be used* flexibly it can be a fine instrument for balancing return on investment against the drive for market share country by country.

In 1981-83 when productivity was slipping and costs were *getting out of line*, the emphasis was on return on investment and some managers, who did not understand the message, had to be moved. In Singapore, *on the other hand,* where the construction industry took a sudden dive, Hilti let return on investment slip for a while and concentrated on improving its market share while waiting for the market to recover.

Hilti has been *looking* for new areas in which to exploit its technology while the construction industry remains stuck in the doldrums. Its salesmen have taken greater interest in the maintenance and renova*tion of old buildings; nuclear* power stations have provided new business; and the requirements of the transport business are being assessed. In June Hilti took control of the Schmidlin company in Switzerland, which *specialises in cladding for build*ing facades and has a subsidiary in Britain.

Mr Michael Hilti, the chairman's elder son who took charge of production throughout the group this year, says investment in manufacturing equipment, mainly in automation, will rise by 20 per cent this year. Spending on research and development is scheduled to go up at a *similar* pace to SwFr 43m.

The policy changes and the strengthening of the production and marketing apparatus at Hilti *are coinciding with a generation* shift at the top. Martin Hilti as chairman is still in the driving seat but responsibility is being moved to his sons and others in the new seven-man management committee.

It has been *suggested* that Hilti may go public. Martin Hilti concedes that this might become necessary when sales exceed SwFr 2bn but the family *would retain control. The initial* offer would be of non-voting shares.

TECHNOLOGY

EDITED BY ALAN CANE

New Istel company to advise Jaguar

ISTEL, British Leyland's information systems subsidiary, has launched a company called Istel Automation to exploit the new market in computer integrated manufacturing (CIM), which is expected to grow rapidly over the next few years.

The Redditch-based company immediately announced it will be advising Jaguar Cars on CIM strategy for systems to be installed over the next five years. It has already worked for Deep Sea Seals on projects for the flexible manufacture of propeller shaft seals weighing more than two tons. It has also advised Ingersoll Rand and Control Data Corporation.

CIM is the rational outcome of the growing use of computer control which, so far, has been applied on a piecemeal basis to areas like machine tools, robots, programmable controllers and similar systems. The idea of CIM is that the computers controlling these systems should be able to "talk" to each other to produce larger areas of integrated working and, ultimately, a whole production unit.

Mr John Leighfield, chairman of Istel, believes that with a strong background in data communications and networks, the company is well placed to implement CIM. Future projects will be based in many cases on the General Motors manufacturing automation protocol (MAP), for which Istel has just declared its full support. MAP defined ways of making disparate systems work together and is based on international standards.

The new company's managing director is Mr Mike Grant, director of the engineering and manufacturing division of Istel. He argues that successful Advanced Manufacturing Technology (AMT) projects depends on understanding how and when to use particular specialist ingredients.

"For successful implentation of AMT," he says, "companies should adopt a systems strategy which takes a long-term view of manufacturing automation as an integral part of their business plans and company strategy."

More on Redditch (0527) 20712.

Banking on a better network

Banks worldwide are preparing to switch to an advanced version of the electronic message system which speeds their transactions, reports Siobhan Haney

THE WORLD'S banks are preparing to take a giant step within 12 months into the most advanced form of computer networking. On June 2, 1986—for banks in Europe, at any rate—the electronic messaging system run by the Society for Worldwide Interbank Financial Telecommunications (Swift) will give way to a new and advanced network, called Swift II.

In 1987, banks in the Far East will similarly "cut-over" to the network, to be followed in 1988 by Australasia and Latin America.

Swift, established in 1973 by 239 banks in 15 countries as a *non-profit, bank-owned* cooperative organisation, is dedicated to meeting a number of specific service needs relating to inter-bank financial transactions.

Using clearly defined standards and formats, it provides a "common language" through which the banks communicate clearly and unambiguously.

But in the 12 years since Swift was established, *computer and* telecommunications technology have moved on dramatically and further development of Swift I would have meant increasing *complexity and the possibility* that instability might be introduced.

Delegates to Swift's eighth annual conference in Brighton this month were told that the Swift II network would incorporate *advanced data processing* and telecommunications technologies. Its new architecture would be based on decentralised, modular processing units.

Users would benefit from far more flexible applications, online retrieval facilities, more comprehensive sender and receiver priority control, increased speed and throughput, and better security and audit features. Some of these enhanced services would be available to user banks as soon as Swift II becomes operational, although this will depend on upgrading the user interface systems.

Swift II's architecture is designed to allow handling of an initial 1m *transactions a day.* Future capacity increases will be modular in character and will not require any architectural modifications.

During the conversion period, all Swift II services will be available to users equipped with Swift II terminals. A compatability period will be provided *so users can prepare themselves* and test the new terminals, and for that period Swift I equipment will be able to connect to the Swift II system. Swift I *and Swift II* services will coexist during changeover, although some operational limitations will be imposed on Swift I terminals.

To complement the switch from Swift I to Swift II, Swift *has launched a range of user* terminals, the ST400 series (the existing ST200 and ST500 will be provided with a Swift II interface) ST400 will act as a *Swift II* interface for medium to large volume banks, which require not only message transmission facilities but also processing power for banking application packages. The terminals will be capable of transmitting *and receiving* thousands of messages on the swift network as well as other networks, such as the big City clearing systems, Chips, Chaps and *Fedwire.*

During peak hours, traffic handling and processing capability allow for concentrated operations at certain times of the day and the heavier volumes commonly experienced after bank holiday periods. The ST400 also marks Swift's departure *from* Burroughs equipment, which is used in the ST100, ST200 and ST500 ranges; the ST400 operates on Digital Vax computers.

Once again, the conference relegated two important policy issues to the backburners: should non-bank financial institutions be allowed to join Swift, and should direct interfaces be allowed between Swift and third party networks *such* as Geisco and ADP?

M Alain Delos, a Swift executive committee member, alluded to the first problem in *his opening speech.* "Last January saw the launch by BP of its own in-house bank, following the example set by Volvo and ICI," he said. "Let me immediately reassure you that I do not intend to raise the questions of whether or not these institutions should become members of Swift."

It seems increasingly unlikely that non-banks will ever be allowed to join. Swift undoubtedly believes that its member banks should use the network as a competitive tool against institutions which are moving into traditional banking areas with market deregulation.

On the second issue, Swift views other networks (including those *operated* by *its member* banks) as rivals.

Swift has grown like Topsy. There are now 1,257 member banks in 54 member countries.

Siobhan Haney writes on technology for the Banker.

MESSAGE FLOW

Area	Outgoing Messages	Ingoing Messages
Europe	92,266,000	87,204,000
North America	24,426,000	25,505,000
South America	1,418,000	1,487,000
Asia / Pacific	9,201,000	8,877,000

Source: Swift

THE GROWTH OF SWIFT

	Average daily traffic volumes	Cumulative traffic volumes (millions)	Revenues (billion Belgian francs)
1978	121,000	24.7	—
1979	164,000	59.3	1,031
1980	218,000	106.5	1,076
1981	285,000	169.1	1,753
1982	346,000	248.6	2,512
1983	480,000	400.1	2,823
1984	566,000	529.9	3,906
1985 (estimate)	650,000	680.0	—

Source: Swift

The bleeper comes of age

RADIO PAGING is breaking loose from the central "black box" control system. To replace *it, Multitone,* the *big* UK radiopaging equipment maker, has developed a *local* area network which allows *various pieces of equipment* performing different functions to be connected wherever they are needed in an office, factory or hospital.

Originally, in-house radiopaging simply enabled staff on a site to be alerted by a pocket "bleeper" to the fact that an internal or external call was wating for them at the nearest telephone. The telephone operator had the central transmitter/receiver unit to hand and keyed in the appropriate bleeper's number.

But over the years, Multitone and others have added extra functions. In hospitals, for example, "panic buttons" can *be pressed in medical emergencies* to "bleep" the appropriate doctors. Security sensors can be similarly connected back to the *central* unit, and a *paging* system might have to accommodate direct bleeping of the personal units from a PABX extension.

Multitone realised that these and other useful features could be added if all the inputs and outputs were connected, regardless of location, *using a single* cable.

This is the approach taken in the company's new Access 3000 *system, which uses a digital data* highway or local area network to string the various items together over a single cable up to one kilometre long.

Now, all the equipment can be placed where it is needed—telephone inputs near the 'phone exchange, manual con*trol units at receptionists'* desks or security gates, and modules *for emergency inputs from, say,* patient monitoring systems, near the bed.

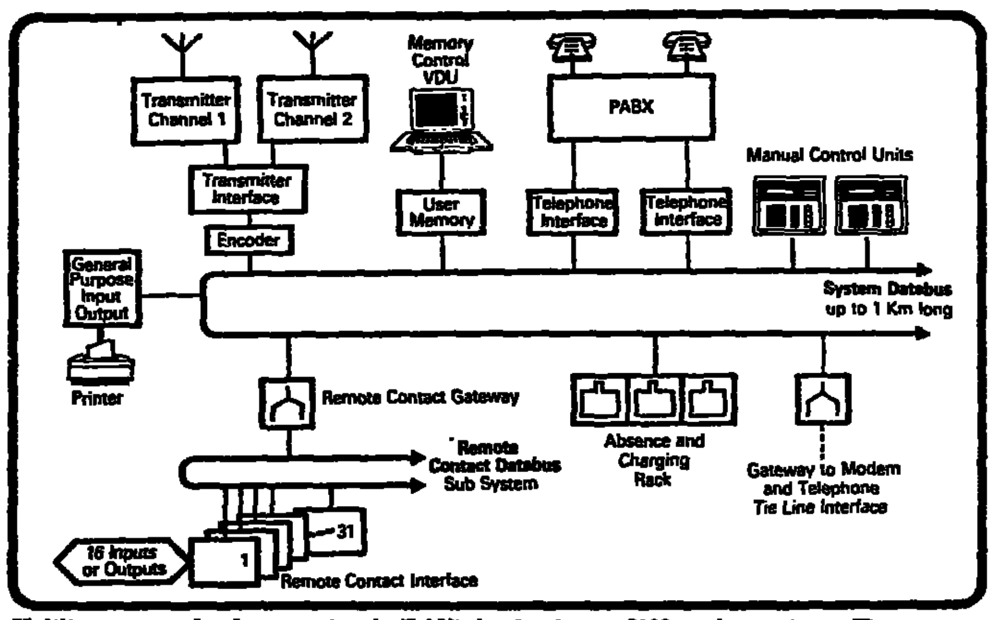
All the units, including the radio transmitters and receivers, are microprocessor-controlled and *communicate over a data* cable operating at 19,200 bits a second. The cable also carries speech in both directions.

The intelligence available in the system enables it to accommodate older Multitone pagers; existing systems can be updated by adding new pagers. Paging *message formats recommended* by CCITT, the international standards body, can be used.

This degree of flexibility results from a memory, also connected to the local area network which keeps details of all the pagers on the system and issues instructions accordingly.

Future facilities being planned include a call-logging *printer,* a *charging rack for* bleeper batteries which will tell the system when the pager is on charge and so not in use, and interconnection of paging systems on different sites by BT lines. Multitone is on 01-253 7611.

GEOFFREY CHARLISH



Multitone uses a local area network (LAN) in the Access 3000 paging system. The expense and inconvenience of wiring the various base station components to a central control unit is removed. Items like a company's telephone exchange, manual control units, emergency buttons and the central radio transmitter/receiver can be optimally placed and connected with a single cable. Microprocessors allow the system to know the pager type it is talking to with the help of a system memory also connected to the LAN.

Research aims to merge chip properties

PHILIPS, the big Netherlands-based electronics company, is collaborating with Siemens of West Germany in the development of a kind of semiconductor chip which will combine the benefits of bipolar and CMOS transistors.

The research program is funded by the EEC's Esprit programme.

The idea is to combine the high speeds, which are the *main features of bipolar* circuitry, with the low power requirements of CMOS technology.

Bipolar transistors were among the earliest types made and are easy to build into large-scale integrated circuits. But they are much less easy to build into the very large scale integrated circuits in the vanguard of today's technology.

Their advantages include high speed, low difference *voltages, low noise,* high current density.

CMOS (*complementary* metal oxide semiconductor) circuits have proved very attractive in recent years because although they are not as fast as bipolar, their low power requirements means *they are much less prone to* overheat.

The new research study, the BICMOS project, aims to develop the process technology for incorporating both CMOS and bipolar circuits on the same chip.

These circuits are expected to find applications in a number of information-processing systems.

Examples include analog to digital and digital to analog converters, *amplifiers,* memories, digital processing and control logic, analog and digital functions.

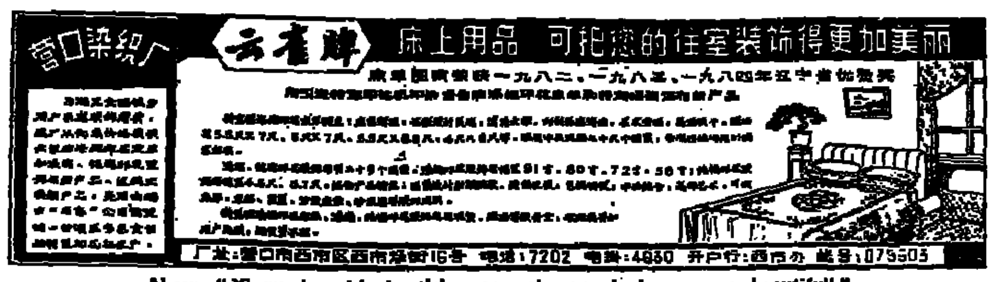
The universities of Dublin and Stuttgart are collaborating with Philips and Siemens *in the project.*

ALAN CANE

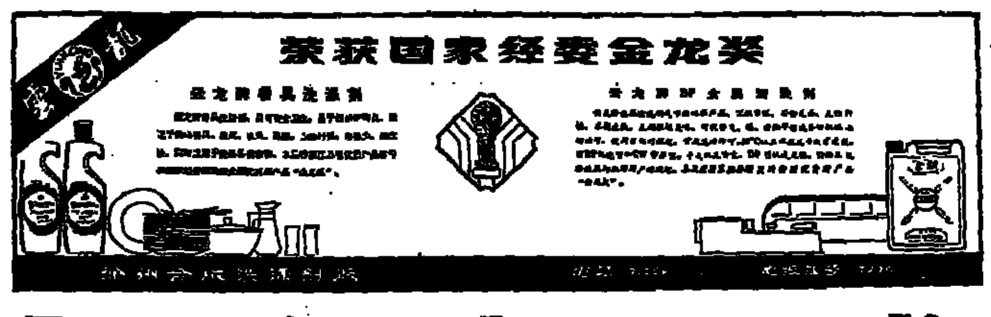
THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

UNDER the gaze of a Grecian bust, the artists in the graphics rooms of the Shanghai Advertising and Decoration Corporation turn from their source of inspiration — one consults a comic book and another seeks guidance from a hardback collection of impressionistic paintings — to their drawing boards. But are they drawing the party line?



Above: "Yinque brand bed articles can make your bedroom more beautiful!"



Left: "Yunlong brand dish-washing detergent has won the State Economic Commission's Golden Dragon award." Above: "Ricoh contributes to the information revolution."

Drawing the party line?

Robert Thomson reports from Shanghai on the state of Chinese advertising

An ideological debate over the role of the advertising industry has grown in intensity as the industry has grown. In the past week. Several articles critical of advertising trends have appeared in Chinese newspapers and the Communist Party Central Committee has just launched a campaign to tighten controls on advertising.

"Some advertisements are sham, belittle others to build up oneself, worship and have blind faith in things foreign, and are full of vulgar flavour. The committee holds that such unhealthy wind must be halted," said a Central Committee circular.

Advertising has been on the move. Shanghai's municipal government has overturned a 30-year-old rule banning advertising on buses, and reckons that 70 of them will be mobile hoardings by the end of the year. The first two businesses to have their products on board buses are a refrigderator plant and a stapler factory.

Shanghai has fervently embraced advertising. Billboards push Japanese electronic goods and traditional Chinese medicines. Newspapers have a large slice of their pages taken up by advertising.

The work unit responsible for much of this is the Shanghai Advertising and Decoration Corporation, which finds itself in the midst of the ideological debate.

With the coming of the cultural revolution in 1966, advertising was banned and slogans were coined aganist it. "Advertising is capitalism" was a jingle of the time. As the corporation's chief designer, Lu Sanrong, explains it, advertising was made respectable again in late 1978 by the third plenary session of the 11th People's Congress.

"People have got confidence. There has been a recovery. Advertising is really needed in this society," says Lu. The corporation, founded in 1956, now has 900 staff, including 130 designers and 400 decorators. It is the market leader, with limited competition from the Shanghai Fine Arts and Design Corporation for local work and from the Foreign Trade Advertising Corporation for Advertising in Shanghai by foreign companies.

As well as handling advertisements for newspapers, television, billboards and bus sides, the corporation also ensures shop windows are well-dressed, and dabbles in the aesthetics of seminar presentation.

The advertising chain begins with a manufacturer approaching the corporation, and seeking approval to place an advertisement. The corporation has about 80 cadres who decide whether or not to accept the application. If the cadres say "yes," the application is passed on to the designers who will create an advertisement after consulting with the manufacturer.

After the ad is created, approved by the client and approved by the cadres, who are the custodians of ideological taste, it is placed in the medium of the manufacturer's choice. In China, newspapers are by far the most effective medium because of their high circulation.

What the propaganda department of the Communist Party's central committee wants is closer scrutiny by those cadres of the advertising chain: "The advertisement published by Press units is part of the Socialist propaganda. So they should be responsible for the people, the consumers and the society. They should not give up Socialist advertisement's principle of truthfulness just for seeking profits.

"Those units which run advertising business should be strict in examining and approving the publishing, broadcasting or projecting arrangements . . . advertising is a newly emerged undertaking and, with the development of commodity production, it will thrive more."

At the Shanghai Advertising and Decoration Corporation, Lu says he and his counterparts are still learning the trade, though Shanghai is ahead of other Chinese cities. "That is for three reasons. We have a longer history, we are more influenced by overseas techniques, and because Shanghai is the major trading place."

He considers advertisers around the world are studying the "same thing." "They are studying to make the design close to the inner characteristics of the products to resolve the artistic result." He doesn't think advertisers manipulate the market by making people buy things they don't really need. "From my knowledge, we have no such experience because people are not so rich in China, and advertising is not so developed, so it would not happen."

Shown a Marlboro man advertisement, Lu said the scene of rugged-man-on-horseback contained a "story" and that the cigarettes are linked to the story. Chinese ad-men are studying such techniques, he said. "In America they spend a lot of money for the purpose of selling. Coca-Cola has been designing for more than 100 years, and its advertising is very successful."

Chinese advertisements are comparatively backward in design but getting bolder. The traditional selling point has been that the product has won one or other of the innumerable gold or silver medals the government awards to efficient producers for "good quality." The medal boast is accompanied by a sketch of the medal, and a description of when it was won and why.

Newspaper advertisements for products with no medals to boast about will often be garnished with puffery. for instance, the "forever" brand toothbrush has the slogan: "Even one hair will not drop." And an ad for the Japanese musical instrument manufacturer, Yamaha, had a message superimposed on a photo of an orchestra: "Yamaha . . . creates life happiness for mankind."

A favourite graphic image is that of the monkey king, who, as legend has it, trekked across China to India, overcoming seemingly insurmountable dangers along the way. But, ads claim, various brands of pencils and washing machines are too good for monkey.

On the drawing board in the graphics room of the Shanghai Advertising and Decoration Corporation was a sketch of a "Diamond" brand watch from Wristwatch Factory. The watch, which had arms and legs, was laughing at the monkey king, and mockingly saying: "hit me, hit me." The monkey king was shown to have hit the watch, and said in frustration: "I gave it my hardest hit."

This trend towards deliberate exaggeration, impressionism and fantasy has drawn critical newspaper comment. One editorialist has condemned, with liberal sprinklings of irony, television ads for television sets: "In ads television sets have fought earth, water and fire. A television set allegedly has been stolen, buried deep in the earth and later submerged in water. When it was finally recovered, the television was, the ad said, quite all right."

A more irate comentator in the "China Daily" told of his seeing a bus advertisement showing the late Premier Zhou En Lai holding a plastic soft drink bottle: "I was quite puzzled as to how the manufacturers could possibly have had our beloved Zhou pose for the ad, since he passed away nine years ago when there was no such thing as a plastic packaged soft drink."

The writer goes on to request that advertising, "first of all," should offer "truthful and accurate information. I am not against advertising, which is a very important part of marketing. But those who design advertisements must be aware of the effect."

THE GUINNESS COLLECTION

How to milk stout

Chris Parkes reports on the UK brewer's plans to exploit its name with a variety of merchandising initiatives

ROGER BOWES is quite blunt about it: "We're exploiting the Guinness name like mad."

Managing director of Guinness Enterprises for only seven months, he has clearly taken a run at the job. When he took over, this tiny division of the brewing, whisky and retailing group was turning over £4m a year from sales of the Guinness Book of Records and an assortment of other publications.

His target for 1990 is to increase that at least eight-fold simply by trading on the company name.

He believes that the 250-year-old Guinness name, its harp logo and its corporate colours—red, black and tan—can be hung onto any number of products and services and thus serve to enhance the reputation and balance sheet of the new-look Guinness Plc.

He does not believe that the corporate merchandising bandwagon is already overloaded. "It's only just begun," he says.

Coca-Cola, one of the best-known names in this branch of merchandising, has been in the business for only six years; he points out. Last year, he estimates the company turned over $32m in the U.S. alone on licensed products. And as if to signal his own ambitions, he coos with enthusiasm over Coke's recent link with a top U.S. design house to exploit the fashion market.

Dissociating his operation from the mass, he aligns it more with the smart and highly-priced merchandise offered under the Dunhill label.

He dismisses questions about the market positioning of a Guinness face flannel or the difficulties of transferring the charisma of a beer brand onto executive baggage. "I'm used to you sceptics. Don't forget I used to run journalists . . ."

For an instant he looks sheepish. But the garrulous Bowes, former managing director of Mirror Group Newspapers, is quickly back into his stride.

Fresh from launching The Guinness Collection, an exercise which involved delivering almost 2m mail order gift catalogues in the UK and the east coast of the U.S., Bowes is buzzing at the prospect of his next ventures.

Once the catalogue programme is safely under way—the face flannel, oven gloves, and other oddments on offer alongside £80 watches and £30 purses will be reviewed in the light of orders—he intends to have the "collection" on sale in conventional retail outlets.

"I'm talking to two big store chains now," he says, wagging a thumb in the general direction of nearby Oxford Street. Another possibility is offering franchises to independent retailers who would undertake to sell only the Guinness range.

The company's own extensive chain of confectionery, tobacco and newspaper outlets will not be used. "They don't match the up-market image we are seeking."

Meanwhile, the entire book range has been revamped, the Guinness trademark prominent on every spine. The new-look Guinness Book of Records promotes the Record Breakers Club, aimed at youngsters, which will encourage them and their teachers to take part in record breaking ventures.

Associated with this is a 32-page club magazine, with a circulation target of 80,000 by the end of the year. Its overall aim is to stretch the popular Christmas gift publication to record proportions with year-round sales and any number of spin-offs.

He plans, for example, to develop a part-work series. "Take the cheetah, the fastest land animal. That may have three lines in the book, In the part-work you could make a double-page spread."

Almost without a breath, he adds: "I'm a lateral thinker."

He sees no limit to the potential applications of the book's database. It has been translated into 27 languages and the name is listed among the 10 best-known brand names in the U.S., he claims.

Reaching out to the enormous television audience, the company is working on a show in co-operation with the BBC. In the U.S. it is preparing to roll out a new game show, a new version of the Guinness Record Breakers' programme which has been seen worldwide, and a series of animated cartoons. Bowes is also negotiating for Guiness to sponsor and develop an eight-hour mini-series for U.S. television.

Company agents are also seeking licensees willing to produce toy figures of characters from the book: the tallest human, the fattest . . . Inaction Man?

It almost goes without saying that the impetus behind this new venture came from Ernest Saunders, the man who in a few years has pruned the old firm down to its basics and is trying to build it back into a force in a handful of major businesses.

Bowes, granted "an open brief" by Saunders, stresses that the brewing business is no longer the key to the corporate identity. "Guinness Plc is striving for the image of an up-market, high quality business operation," he says.

Almost a case of a brand in search of a product.

Contracts and Tenders

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy & Chemical & Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploration Company)

NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS NUMBER 779/1K/MF

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:

Lot No. 1 — CHIKSAN high-pressure swivel joints.
Lot No. 2 — Butterfly valves and spares.

This Call for Tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS (ENTP)
16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH
ALGIERS, ALGERIA
Direction des Approvisionnements (Supplies Division)

for the amount of 400 Algerian Dinars, with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a closed double-sealed envelope by registered mail to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplied Division) at the above address.

The outer envelope should bear no mark that might identify the tenderer, or any heading, and should read: "AVIS D'APPEL A LA CONCURRENCE OUVERT NATIONAL ET INTERNATIONAL No. 779/1K/MF—CONFIDENTIEL—A NE PAS OUVRIR" (National and International Open Call for Tenders No. 779/1K/MF—Confidential—Do Not Open).

Tenders must be received within 45 days after this notice is published.

Tenderers shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(National Oil Exploitation Company)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy & Chemical & Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploration Company)

NOTICE OF NATIONAL AND INTERNATIONAL OPEN CALL FOR TENDERS NUMBER 0247 OW/MF

The National Oil Exploitation Company is launching a National and International Open Call for Tenders for the supply of the following:

Lot — Rock Bits.

This Call for Tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of the Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address:

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS (ENTP)
16 ROUTE DE MEFTAH, OUED SMAR, EL-HARRACH
ALGIERS, ALGERIA
Direction des Approvisionnements (Supplies Division)

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Tenders must be received within 45 days after this notice is published.

Tenderers shall be bound to their offers for a period of 180 days after the closing date of this Call for Tenders.

Public Notices

COATS PATONS PLC

Notice is hereby given of the appointment of Bank of Scotland as Registrar. All documents for registration and any related correspondence should be sent to the address shown below.

Bank of Scotland,
Registrar Department,
26A York Place, Edinburgh EH1 3EY.
Telephone: (031) 243 5099

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Information from the BASE Office, Economics Dept., Birkbeck College, 7-15 Gresse Street, London W1P 1PA. Tel: 01-580 6622, ext. 495.

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
NIPPON SHEET GLASS CO., LTD.

NOTICE IS HEREBY GIVEN that pending the payment of a cash dividend to shareholders of record date September 30, 1985, the shareholders' register will be closed for the period October 1-30, 1985 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs.

Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1985.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 9 will be used for collection of this dividend

CITIBANK, N.A., London, Depositary.

September 19, 1985.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
SHARP CORPORATION

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date September 30, 1985. Furthermore, it has been declared that the shares will be traded ex-dividend on the Japanese Stock Exchanges with effect from September 26, 1985.

Subject to approval of the dividend, a further notice will be published stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment thereof as soon as practicable after receipt of the dividend by the Depositary.

Coupon No. 9 will be used for collection of this dividend.

CITIBANK, N.A., London
September 19, 1985 Depositary

LEUMI INTERNATIONAL INVESTMENTS NV
U.S.$50,000,000 GUARANTEED FLOATING RATE NOTES 1988 EXTENDIBLE AT THE HOLDERS OPTION TO 1991

The interest rate applicable to the above Notes in respect of the six month period commencing 19th September 1985, has been fixed at 8¹¹⁄₁₆% per annum

The interest amounting to U.S.$44.31 per U.S.$1,000 principal amount of the Notes will be paid on 19th March 1986, against presentation of Coupon No. 8.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN
SHARP CORPORATION

We are pleased to confirm that copies of the Annual Report for the year ended March 31st 1985 of Sharp Corporation are now available to EDR holders upon application at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent Citicorp Bank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.

CITIBANK,N.A.,
September 19th, 1985. London, Depositary.

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Tokyo: Editorial 8th Floor, Nikon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku, Tokyo. Fax: 245 0358. Tel: 03-241 2920/2959. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku, Tokyo. Telex: J27104. Tel: 03-295 4050.

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THE ARTS

Galleries/William Packer

The age of discardment

When the Boilerhouse Project comes to the end of its tenure of the basement of the Victoria and Albert its overall achievement thus far, before ever it is translated and magnified into the proposed Museum of Design in the docks, is sure to be counted as rather more than the sum of itss parts, adding up indeed to something substantial and significant. For time and again Stephen Bayley, its director, has teased and entertained and maddened us by the apparent triviality or affectation of his programme, and yet we come back for more, ever agog, to go away amused and intrigued.

His latest show, *The Bag* (until October 3), is entirely typical, besides being in sort a code or postscript to its immediate predecessor, which sought to demostrate how national characteristics may be discerned in product design. Now, in his words, "more than 300 *outstanding* carrier bags from London, Paris, New York, Milan and Tokyo" have been strung up *en masse* simply to see what, if anything, such ephemera say about themselves as objects, and about the cultures which produce them so unselfconsciously.

They do not in fact say much in terms of national difference, which in itself is interesting enough a result. New York may be graphically more mannered, Paris more decorative, London more matter-of-fact, but that is to be over-nice. Outstanding is perhaps too big a word for the material, but what we do see is that in every centre of international commerce this obvious opportunity for effective self-advertisement is being taken with equal style, grace and panache, by every company, large or small—the small especially—with the sense to see it. And the real point of the show, which is the point of the Boilerhouse itself, is that even at this mundane, commonplace, throw-away-level, design is a live and important issue, and that always good design is to be cherished against the bad, for the insidious and thoughtless effect it has on all our lives.

*

The same point is made, among many others and with rather more overt seriousness, by the photographic show at the Arts Council's Serpentine Gallery (until September 29). *Another Country* is the work of Chris Killip and Graham Smith, who took as their subject the areas of urban dereliction in the North East of England, and the people who live in them; and indeed it is the visual quite as much as the material poverty they discover, littered, defaced and desolate, that strikes one like a blow.

"Another Country: Scotswood Road, Newcastle 1978"

Killip and Smith clearly are photographers of great skill and sophistication, and many of the images to come out of their joint enterprise (they do not declare themselves individually in the hang) are truly memorable, strong and sure in composition and finely judged in mood and emphasis and moment. There is behind it all, however, a disquieting sense of over-direction in the response intended that amounts to special pleading, as though a final confidence in the inherent strength of the work is lacking. The industrial landscape, and the accidents, pleasures and sadnesses of working class life, have supplied photographers enough in the past, after all, but none of it is peculiar to the North East, least of all any out-and-out deprivation. The best work here is the most straightforward and the least particular. If the North East is special, it is, in my recent experience, in its social resilience and dignity, and one would rather look to the critical, ironical distance of a Bill Brandt, for example, to make the point.

Michael Simpson shares the Gallery, showing four new huge paintings in the central room.

*

There is more photography, or rather photographic work, as subtle and ambiguous in its implications as one would wish, on show in the gallery at Canada House (until October 8). *Visual Facts* is the consciously ironical title which Michael Tooby, of the Graves Art Gallery in Sheffield, has given his selection from the work of eight contemporary Canadian artists. Sorel Cohen, in a piece made up of several panels, poses easily and inexactly to herself for her own self-portrait, now here, now there, and is the painting a photograph, and how can that be? Paul Wong looked out of his window one morning to find a body, lately dead, lying in the road below, and worked in sequence, first from above and then outside as the incident developed, the body first dusted with snow, then shrouded, recorded, lifted and removed. But was it just like that; and he with the presence of mind to be in two places at once; and the whole macabre tableau entirely natural and unplanned?

*

At the AIR Gallery, in Rosebery Avenue (until October 6), Eric Bainbridge, a young sculptor who has already shown in Milan and New York, is holding his first exhibition in London. This latest work consists of large, surreal, lumpen objects, as they might be elements in a bizarre still-life or fragments of some tumbled colossus, but all indifferently covered in mock ocelot fur. A flowerpot, a dinosaur, a foot — "look on my works ye mighty and despair." The surrealist charge is indeed very strong and true, and as the work develops in more formal terms, away from the easy *frisson* to be had by mere imagery alone, so it is likely to get stronger.

*

Anish Kapoor, at the Lisson Gallery in Bell Street (until September 23 only), is rather more the London veteran, young as he is. And the work is familiar too, very much so, for the formal development has been slow and circumspect, and still the sculpture relies for its immediate impact upon the physical intensity and purity of the powdered pugment with which the surfaces are dressed. That is not to say it is an easy formal solution, but it can become so. The images themselves are simple amorphous shapes, fluted pyramids and cones, and disconcertingly visceral or sexual bulges and orifices kept at a safe psychic remove only by the dense brilliance of blue or red. They too are charged with a true surrealism, but one that is unspecific, atavistic and infinitely more elegant.

Gigi/Lyric

Martin Hoyle

The death last week of Isabel Jeans in her nineties recalled her stylish *grande dame* in one of the most stylish musical films of the fifties, the Lerner and Loewe version of Colette's fable about the innocent who wins the heart of a roué.

Originally conceived for the cinema, an adaptation arrived on the Broadway stage in 1973 and now receives its London première. The film's elegance and tongue-in-*chic* Gallic froth has evaporated in what emerges as a coarse-grained production of a coarse-grained show whose fatal uncertainty of focus is illustrated by Jocelyn Herbert's schizophrenic designs. Elegant gauzes flown in against the back brick wall of a theatre to acknowledge the piece's artifice reveal the sophisticated stylised approach of Jocelyn Jekyll. Crude sets for Maxim's (with its caff crockery and cruets) and the Catalan Restaurant, and a perfectly hideous lawyer's office that would disgrace a weekly seaside rep bespeak Herbert Hyde.

The production by John Dexter, no less, is equally unsure. The curtain rises on a false proscenium of what looks like unpainted *papier-mâché* crowned with Art Nouveau tendrils as taperingly exiguous as Jean-Pierre Aumont's *sprechstimme* delivery of "Paris is Paris" (except, evidently, when it's Shaftesbury Avenue). Mr Aumont looks faintly weary, which is acceptable in French charm, and slightly worried, which is not. Unless borne on the crest of a wave of absolute stylistic confidence, the songs can emerge as pretty thin stuff. "Thank heaven for little girls" comes out as a mixture of the pawky and the twee. Rhymes like "Yes, I knew Mamita, I knew every centimetre," and "She's so sweet, she's so pure, For the decadent amour" offer no competition to Sondheim.

The result of directional indecision can be detected in comic stick-on eyebrows and the distracting embarrassment of extras whose energetic mugging recalls the village hall. "She's so oo-la-la, so untrue la-la," sings the hero pouring champagne down a squealing lady's cleavage. This is the very stuff of sophistication.

Alastair Muir

Geoffrey Burridge and Amanda Waring

The individual performances provide the production's saving graces. Foremost among them is Beryl Reid whose batty hen persona is both funnier and more touching than the Gingold grotesquerie of the film. Miss Reid's cheerful apprehensiveness, not least when she gropes for the next line, marks the eternally optimistic and the eternally surprised. She can make observations like "Alicia was never conquered—she was annexed" sound witty; and can without exaggerating inflect "how exciting!" with delirious *irony*.

Sian Phillips, as the former *grande horizontale* who undertakes her great-niece's education as a cocotte, suffers from the sanitised role's abridgement. She looks stately and greedy, but never resembles a successful courtesan. The omission of all sense of Gigi's socio-sexual grooming gives Amanda Waring precious little opportunity to develop her character.

This is a shame since Miss Waring is not only a beautiful younger version of her mother, Dorothy Tutin, but obviously has spirit, intelligence and confidence. She sings with a pretty if small voice, but is deprived of one of the film's most charming numbers, "Say a prayer for me tonight." If the part were not so negligible she would prove a worthy partner for Geoffrey Burridge's breezy Gaston.

Giuseppe Sinopoli/Festival Hall

Dominic Gill

The Philharmonia were on superlative form for their performance on Tuesday evening of Mahler's second symphony—the orchestral playing, as orchestral virtuosity pure and simple, was a joy to hear: big, unanimous strings, gloriously full-toned, supported by a wind department that is still, in the subtlety and richness of its intonation, the peer of any in the world.

Giuseppe Sinopoli, who conducted, has obviously thought a little more carefully about Mahler's Resurrection symphony since last November: the direction was less insistently brash, less hectic, less obviously vulgar. But it is still, like his conducting technique, left hand in mirror image slavishly following the right, one-dimensional—the difference between a painting by a real artist and a painting-by-numbers. Sinopoli's Mahler still sounds and feels like music-by-numbers: a symphony by rote, made up according to a recipe for instant effectiveness. Play the really audience-gripping bits either very loud or very soft, according to the directions, and all the other bits in-between, the very thread and texture of the music, can look after themselves.

His second-movement Ländler was on the face of it at least properly, correctly delivered—but notably without a trace of Ländler charm: a telling comparison would be Esa-Pekka Salonen's direction of the Ländler in Mahler's fourth at last week's Prom, less well played in purely instrumental terms, but infinitely more haunting, subtly nuanced, original. Sinopli's vision of the scherzo was that of a brilliant, but mechanical, sanitised tour de force—without any deeper resonance and in particular without any dark currents of disillusion, than the surface gloss of the notes.

This time at least he took the *Urlicht* at a pace which permitted Brigitte Fassbaender to unfold her "Röschen" without indecent haste. But this lovely movement too is a case in point: Sinopoli does not really understand Mahlerian phrasing (especially where the high and low tensions lie in a Mahlerian line). The direction was correct enough, in so far as it allowed most of the notes to be heard: but Miss Fassbaender's expressiveness found no echo at all in her orchestral accompaniment. The finale, obviously Sinopoli's favourite movement, was high-gloss.

New York Summer Opera

Andrew Porter

The New York City Opera, which used to play two 10-week or so seasons, in the autumn and the spring, sharing the New York State Theatre with the City Ballet, now plays a single 20-week season, in the summer and autumn. Summer opera at Lincoln Center, while the Met houses visiting ballet companies, has proved popular. People like the "subtitles"—a summary running translation flashed on a screen above the stage. The company advertises itself as purveyor of a kind of opera where "you don't have to read up on the plot in advance. Or be concerned that you won't be able to follow what's going on. You can just sit back and enjoy yourself the way you do at a movie. At the NY City Opera, we give you 'instant understanding'!"

A few weeks are devoted to operetta: this year *The Student Prince* and *The Mikado*. After revivals of *La Rondine*, *Lucia*, *Carmen*, *La Cenerentola*, and *La Fille du Régiment*, the first new production was *Norma*. It was, in fact, a revised edition of the Welsh National *Norma* produced by Andrei Serban and designed by Michael Yeargan. Some changes had been made for New York and—said Serban—its more conservative public. Norma and Adalgisa no longer bathed the tots during the stretta of "Mira, o Norma." At the end, Adalgisa didn't mount the pyre. But during the final scenes she still had a prominent—mute—role to play, devised by Serban; and as a result Felice Romani and Bellini were made to seem theatrical incompetents. Their text and score were devised for a different action.

The lack of theatrical nous in Serban's operatic work often puzzles me. His Covent Garden *Turandot* is a stunning show, but the pacing of Puccini's drama—and score—goes wrong when by Act 2 Turandot is already on her knees before the unknown prince. In a New York *Traviata*, his heroine treated the cherished letter from Germont as a Kleenex for wiping up the blood she coughed up. One might have the "interesting new idea" that Violetta angrily despises Germont; it shouldn't survive listening to the music that accompanies her tender reading of the letter.

Norma has one of the great entrances in opera: during the solemn chorus "Norma viene" she arrives, her tresses streaming, her brow crowned with verbena, a golden sickle in her hand; she mounts the druidical stone and "gazes around her as if inspired." There is a solemn silence—and she sings her first words, "Sediziosi voci." As Wera Amerighi-Rutili, a formidable Norma of the 1930s, once told Elena Nicolai: "The entrance in an opera is of the greatest importance... How you walk, hold yourself, the kind of light your eyes give out.... If they don't notice you when you come in, it will take a long time for them to do so later."

In the City Opera *Norma*, a dumpy little lady in stockinged feet and a short black dress, wearing a gold apron and carrying a cloth, had been pottering about busily right from the start of the show. I thought she was the temple cleaner. As the moment for "Casta Diva" arrived, I wondered why Serban had delayed Norma's entrance so long—and then suddenly the little figure turned round and sang "Sediziose voci." What sort of light her eyes gave out I've no idea, for in this production, a handout informed us, "masks are worn when the characters are performing rituals; masks are removed when they are revealing their true feelings." By such simplistic notions, Serban offered his own kind of "instant understanding." During the duet "Vieni in Roma," Pollio pulled off Adalgisa's dress.

I didn't enjoy the show much. Olivia Stapp—who has sung Lady Macbeth, Elektra and Tosca at the Met—was no Norma: the intonation errant, the coloratura approximate, the tone often unpleasing. Judith Forst, the Adalgisa, offered the deftest singing of the evening. Robert Grayson was a clean, plain Pollio—but, vocally and dramatically, a callow NCO, not a Roman commander. Richard Bonynge's conducting was brisk and often seemed perfunctory.

Attila was revived with Samuel Ramey in the title role. It's a difficult opera to bring off: the characters are unpleasant, the dramaturgy is clumsy, and a fair amount of the music is coarse. Four years ago the City Opera did bring it off in an energetic production conducted by Sergiu Commissiona. The revival, conducted in a thin-blooded way by Christopher Keene, lacked brio. Ramey's singing was fine, but he's no actor, and no reactor to what's going on on the stage around him. A new lyric soprano, Linda Roark-Strummer pushed what might be an attractive voice into edginess and unevenness; she looked good, moved well, and wore her costumes handsomely. It's a picturesque, richly costumed show. Lofti Mansouri's production had its risible moments but was confident.

Prix Italia awards

The first of this year's three Prix Italia awards for television at Cagliari, Sardinia was won by America's Corporation for Public Broadcasting which took the Music Prize, worth L8.5m (about £3,400), with its 90-minute work *Koyaanisqatsi*. The music is by Philip Glass.

The other prize in the Television Music category, awarded for "*Some Special Quality*," was won by the BBC programme "Leonard Bernstein's West Side Story."

Pride and Prejudice/Haymarket, Leicester

B. A. Young

Peter Sallis, looking like everybody's idea of Mr Bennet, sits at his desk, stage left. "It is a fact universally acknowledged," it begins, and goes on with the whole of Jane Austen's first two paragraphs. I felt at once that we were in for a truthful account of this happy novel.

David Pownall has filleted it a bit for his adaptation. There are some items missing, like Jane's bad cold, at the Bingleys, and two of Mr Bennet's daughters but the tale is fairly complete and spoken as far as possible in Jane Austen's own dialogue or a close imitation. Naturally, this takes longer to speak than to read; sometimes it prompts a moment's impatience, especially when Mr Collins is being particularly orotund; but it is likeably elegant, and often very funny.

The play is done also diagramatically. No scene is realistically presented except Mr Bennet's library where Mr Sallis stays as much as he can showing his "quick parts, sarcastic humour, reserve and caprice," just as the book says. Behind and around, the scenery, designed by Poppy Mitchell, consists of translucent rectangular screens, some mounted on a revolve that can conceal or reveal as required, suggest an ante-room upstage or a narrow walk in the woods.

Around them, the company is posed to suit the situation, rather than suggest reality, though the pretty Regency costumes and speech suggest that as far as it is needed. Several balls are danced on a very modest scale.

It is fact universally acknowledged that a play under the control of a good director must be in want of a suitable company. Bill Pryde's company is so-so. Peter Sallis is ideally cast, and well matched by Pauline Yates as his matchmaking wife. Robin McCaffrey is a reserved Jane, lucky to have caught the eye of Mr Bingley (Stuart Organ); Tessa Peake-Jones is a suitably pretty and clever Lizzy, though I disliked her dramatic recitation of Gray's poem; and Amanda Harris makes Lydia as silly as her father believes.

But James Warwick's Darcy is a wooden young man who suggests indifference more than pride and so loses his effect when his love for Lizzy breaks out. Lady Catherine (Irene Sutcliffe) on the other hand, though she starts with aristocratic iciness, lowers it too far in her indignant anger. Ian Gelder's Collins is also too demonstrative: "Gray's stately and very formal" is what Jane *Austen said*.

David Pownall's conclusion, with its political round up and repetition of the book's first paragraph for the benefit of his three instant grandsons is first class. I recommend the evening with enthusiasm but it is a useful idea to re-read the book first. That gives an extra bonus.

LCDT Anglo-American evening

The Contemporary Dance Trust is to hold a second major fund-raising event for the London Contemporary Dance Theatre and School—an Anglo-American evening at the Dorchester Hotel on November 25, with the support of the Bankers Trust Company.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Sept 13–19

Exhibitions

PARIS

Medieval Art in Paris: The Abbots of Cluny built their magnificent late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman Baths. Now a museum, it houses medieval works of art: Goldsmiths' work, carved altarpieces, ivories, fabrics, with two English Royal standards embroidered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicorn mille fleurs tapestries – an allegory of the five senses, one of the masterpieces of medieval art. Musée de Cluny, Place Paul-Painlevé, Métro Odéon.

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the 19th century. Some were made of Viennese porcelain, others of Bohemian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all show exquisite workmanship and some of perfume's power to beguile. Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 29.

WEST GERMANY

Hildesheim, Römer und Pelizaeus-Museum, Am Steine 1–2: Nofret, the exhibition covering Women in Egypt. For its last stop in Germany, the exhibition will carry 177 pieces, an extra 96. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assembly of Pharoan Art. Ends Nov.

Aachen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, watercolours and plastics from Joseph Beuys, covering the fifties and sixties. Ends Sept 29.

Essen, Villa Huegel, Auf dem Huegel: Turkish culture and art from the Osman Empire. 500 works ranging from the 15th-19th centuries. The show includes glass, carpets, ceramics, miniatures and weapons. Ends Oct 27.

Cologne, Kunsthalle, Joself-Haubrich-Hof I: The Fiancee Beloved, Sold, Exchanged, Stolen. The exhibition describes the role of women in different cultures and shows various marriage ceremonies. It also displays 2,000 paintings, photographs and costumes from various countries through the ages. Ends Oct 10.

BRUSSELS

Opera costumes from 1959 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Musée de Costumes et Dentelle. Until November.

ITALY

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Rome: Palazzo Venezia (Piazza Venezia 3): Paesaggio Con Nigura – 57 works from the Borghese collection. The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

NEW YORK

National Academy of Design: Culled from the larger Royal Academy exhibit, this view of Edward Lear's prolific career covers not only the famous illustrated limericks and verse but also landscapes and ornithological studies. Ends Nov 3.

WASHINGTON

National Museum of American Art: 35 paintings by Alexander Hogue capture the American Southwest through dustbowl and prairie in highly stylised evocative works from the 1920s to the present. Ends Nov 3.

TOKYO

Modigliani: 130 works in oils, watercolours, and sculptures. National Museum of Modern Art, Kitanomaru Park (near Palace and Imperial Hotels and parts of Tokyo's oasis near the Imperial Palace). Ends Sept 29.

Treasures from the Silk Road: 160 items from Central Asian area from 5th century BC to 10th century AD. Tokyo National Museum. Ueno Park, one of Tokyo's few parks. The greenery and space are a welcome respite from city concrete. Purchase an *obento* lunchbox for an instant picnic. Afterwards explore the park and surrounding area full of history. (The nearby Shitamachi Museum, consists of a reconstructed tenement – typical dwelling of inner-city families in 17th-19th centuries.) Ends Sept 25. Closed Mondays.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

NETHERLANDS

Amsterdam Rijksmuseum Printroom Continuing its centennial celebrations, the museum has put together a revealing exhibition of 60 of its finest Rembrandt drawings supplemented by a further 60 by anonymous Rembrandt pupils and followers to illustrate the extent of the master's influence. Ends Sept 29.

SWITZERLAND

Martigny: Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (026/23978).

Orchestras/Antony Thorncroft

New sponsor for RPO

The Royal Philharmonic Orchestra starts its 1985-86 season at the Festival Hall tomorrow night in a buoyant mood. In the past year it has seen its turnover top £3m, its audiences average nearly 80 per cent, and its sponsorship revenue exceed £500,000.

Launching the season yesterday the RPO announced a new sponsor, PA Management Consultants, whose first venture into sponsorship will aid the RPO by almost £50,000; it goes towards a seven-concert Beethoven series celebrating Antal Dorati's (the orchestra's conductor laureate) 80th birthday.

The RPO has benefited by capturing the services of André Previn as music director. Their first big enterprise together, a Music Festival on the South Bank in the summer, produced audiences of over 80 per cent and a small profit, thanks to sponsorship from the Bankers Trust which put up £100,000. In all the RPO produced a surplus of £10,000 in 1984-85, but had to work a record 700 three hour sessions, more than any other orchestra, to end up in the black.

In the coming season the RPO will itself promote 33 concerts at the Festival Hall, 10 at the Barbican and 19 at Fairfield Hall, where it is helped by a £30,000 rise in subsidy from Croydon Council. The Festival Hall concert tomorrow features Vladimir Ashkenazy in an all-Brahms programme: he will appear 30 times with the RPO during the year.

In addition the RPO has been hired by impressarios, mainly Raymond Gubbay, to appear in a further 50 London concerts. Among the artists it will play with are Menuhin, Perlman, Stern, Jessye Norman, Galway, the Torteliers, Soderstrom, Pogorelich Lill and Cecile Ousset.

The Philharmonia also produced its annual report this week. It, too, was grateful to sponsors who have helped make good the Arts Council cuts in subsidy which hit all the main London orchestras. Its biggest achievement has been securing £400,000 from Nissan UK to cover the next four seasons. Some of this money has gone towards subscription advertising for the autumn concerts; the Philharmonia has already sold 75 per cent of capacity for its Thursday series of three concerts on subscription. Last year on the South Bank the Philharmonia managed an average attendance of 78 per cent.

Despite the financial stringency the orchestra has planned some adventurous programmes among its 42 Festival Hall concerts this season. Under its principal conductor Giuseppe Sinopoli it is giving the British première of Takemitsu's cello concerto and will also perform Messiaen's *Truangalila symphonie*. Simon Rattle is conducting five concerts of French music, and Andrew Davus will be in charge for five concerts of music by Britten and Elgar.

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Telephone: 01-248 8000

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On risk, off balance sheet

BANKING innovation, often designed to reduce risk, may have increased it. The letter sent out on Tuesday by the Governor of the Bank of England, as part of a co-ordinated move by all the Group of Ten central banks, urging the commercial banks to operate tight control of their off-balance-sheet risks, represents a welcome new urgency in facing this problem, but also a setback. The Governors, who had hoped in Basle to agree on common requirements regarding such matters as capital adequacy in this highly competitive field, have so far failed. They are concentrating instead on using their moral suasion—stronger perhaps in London than in some other centres—to insist on improved management standards. Such advice ought to be redundant. Unhappily it is not.

The worrying extent of the problem has been spelled out in recent speeches by the Deputy Governor, Mr Christopher McMahon, and by Mr Peter Cooke, the director responsible for prudential supervision. Both have been worried that the recent rush to financial conglomeration—not quite so recent in the U.S.—has left managements over-extended, struggling to control businesses with which they are unfamiliar. Meanwhile, the rapid development of new instruments and new financial markets poses risks which can be very difficult to assess even given the fullest information, and of which some managements, according to Mr McMahon, seem almost unaware. Even where they are fully on the alert, they may simply have to take on trust what their mathematical analysts tell them about risk.

The mathematical risks are involved in the area now generally known as risk packaging—trading in financial futures and options, and the provision of interest rate or currency swaps, sometimes for well over a decade ahead. Here it may take many hours of calculation on a high-powered computer simply to assess the risks implied in a contract.

Talent

While the market leaders in such fields, who originate much of the business, are certainly aware of the problem and employ high-level talent to tackle it, they do not always find the right answer; some substantial U.S. banks, for example, have made heavy losses in options trading. But in any case, the risk is not confined to the prime movers. One purpose of their calculations is to decide how far the risks being undertaken can and should be laid off through the forward, futures and options markets, and they may well be passed on to less aware and sophisticated players. Thus the whole system is at risk.

Some of the major worries, however, may be matters for legal rather than computing experts. Banks who participate in such groupings as note issue facilities and revolving underwriting facilities (Nifs and Rufs, as they are already familiarly known), or issue paper with a repurchase undertaking, may simply not know how much of this paper they are effectively bound to back. One U.S. bank recently had to stump up some $100m to compensate holders of paper issued by a failed market intermediary where it believed itself off risk, and one London clearing bank at least has foresworn such markets.

Standing back from the baffling detail, two strands can be seen intertwined in these problems: the growing demand of ordinary non-bank businesses for some insurance against financial volatility, a service which certainly helps the real economy; and the desire of banks to expand their business while avoiding the annoying demands of regulators for such things as adequate capital backing, which costs money. There is a threat here to shareholders, for auditors are at least as puzzled as any of the other players in assessing and recording these risks—a worry reflected in the low rating of bank shares. Much more serious is the worry about the stability of institutions and of the system as a whole, and the consequent difficulties with monetary control.

Threat

At the moment the problems are much more evident in the U.S. where deregulation has the longest history and innovation is most aggressive, than in other markets. There, banks, savings institutions and market intermediaries have been failing with depressing regularity. However, this is no cause for complacency elsewhere. As Mr McMahon pointed out, the risks are often greatest in the honeymoon period before the losses emerge.

The consequent economic threat is also more apparent in the U.S. than elsewhere: the Federal Reserve is widely thought to have driven interest rates down almost regardless of the monetary consequences partly to prevent a wave of failures resulting from excessive lending in the past to developing countries, to farmers, to the oil industry, and (in the consumer market), on the security of now falling real estate values. Since these problems are still getting worse rather than better, the Fed is increasingly preoccupied with shoring up the system through capital increases, and still inhibited in its open market policies.

All these problems could spread rapidly to other centres in the wake of deregulation; and while it is good to know that the central banks are aware of the dangers much earlier in the game than they were in the previous excesses of the Euromarkets, concern alone solves no problems. We hope that the necessary prudential agreements in Basle will not be long delayed. Meanwhile, central banks should not allow pleas for a level playing field to inhibit them in imposing any restrictions they regard as prudent.

High risks in Central America

ALONG NICARAGUA'S border with Costa Rica and Honduras all the ingredients now exist for a small incident to produce rapidly escalating hostilities. Events last week on the Honduran - Nicaraguan border highlighted this danger, and it is little comfort that a measure of calm has been restored; the situation could easily be repeated in the coming months.

It appears that the Nicaraguan military got wind of an incursion by some 800 "contra" rebels from Honduras and attacked in force near or over the border. Honduran troops became involved and a nationwide alert was declared. Faced with the prospect of a major escalation, wiser counsels prevailed. The incident has blown over with the Nicaraguan leader, Daniel Ortega, offering to meet his Honduran opposite number, President Roberto Suazo Cordova.

Such an incident is an inevitable consequence of anti-Sandinista rebels using Honduras, and to a lesser extent Costa Rica, as a safe haven for training and logistic support. Throughout the threee-year-old campaign by the U.S.-baceked contras against the Marxist-oriented government in Managua, the safety of Costa Rica and Honduras has been their greatest military asset. This has been a source of great frustration to the Sandinistas, who have to balance the need to stamp out the contras against the dangers of becoming embroiled in a broader conflict with their neighbours.

Until now the temptation to risk hot pursuit or border incidents has been tempered by the Reagan Administration's manifest willingness to defend its allies. In Honduras, where two-thirds of the contras are located, the U.S. has built up sufficient infrastructure to permit an invasion of Nicaragua if necessary. Indeed, it is the fear of providing a casus belli for direct U.S. intervention which holds the Sandinistas back.

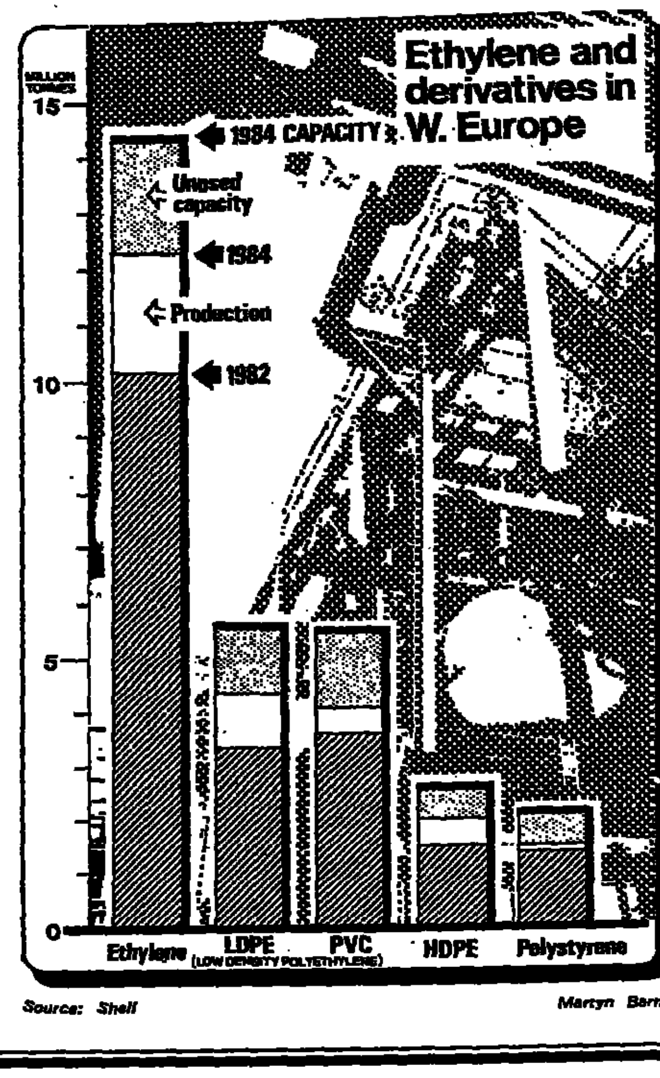
The Reagan Administration sees its support for the contras as a means of putting pressure on the Sandinistas not to export revolution. Such pressure has virtually stemmed the flow of assistance to the leftist rebels in El Salvador, which was never very great, but it has not resolved the fundamental question of who rules Nicaragua. The Sandinistas are unwilling to talk with the contras until they lay down their arms; while the contras believe, as does the U.S., that time is against the regime in Managua.

In the present situation there are no satisfactory trip-wire measures. Joint patrolling of the Honduran-Nicaraguan border, proposed by President Ortega, cannot be convincing when the contras are so embedded on Honduran soil. As for the four-nation Contadora group, struggling since 1983 to introduce a promising peace plan for Central America, it is like a referee with no disciplinary powers. Without firm U.S. support, the Contadora initiative can make no progress. But it is increasingly clear that military solutions in Nicaragua, as in El Salvador, are not feasible. As long as the present stalemate continues, there are real dangers of a widening conflict in Central America.

European petrochemicals

Suddenly the only option is to become bigger . . .

By Tony Jackson
Chemicals Correspondent



Source: Shell
Martyn Barnes

EUROPE'S CHEMICAL industry is in the throes of a major upheaval. The battleground is bulk petrochemicals and plastics—once the industry's biggest opportunity, now its biggest headache.

The past month has seen an extraordinary series of plant sales, mergers and closures. Hoechst is to sell its polystyrene business to Shell; ICI and Enichem are joining forces in PVC; BASF is buying Monsanto's acrylonitrile business; BP and Bayer are in talks on low density polyethylene; and Esso is closing its huge ethylene plant in Cologne.

The industry is splitting into two camps. The experience of 1981-82 — when commodity petrochemicals in Europe made aggregate losses of several billion dollars—convinced producers that the only rational approach to the sector was to get out of it. Some companies are doing just that: others have belatedly realised that the scale of their commitment makes such a course impossible. Their only option is to reverse the strategy—to home in on specific commodity areas and become as big as possible.

The resulting spate of activity is seen by the industry as a generally good thing. David Bynan, a director of ICI's petrochemicals division, says "I'm greatly encouraged. All these changes are in the right direction—companies are deciding where their strengths lie, and that can only be helpful for the industry in the long run."

However, the plant reshuffles still fall short of addressing the industry's central problem of overcapacity. Even Esso's closure of its ethylene plant at Cologne, together with the Shell closure of a smaller plant near Manchester, does little more than offset the giant new cracker at Mossmorran in Fife — itself jointly owned by Esso and Shell.

Again, the ICI link with Enichem of Italy on PVC will lead eventually to some closures. There is no question, though, of rationalisation on a scale commensurate with European overcapacity in PVC of around 20 per cent.

For ICI as for other companies, the strategy is rather the reverse. By becoming as large as possible — the ICI/Enichem combine will have 25 per cent of Europe's total PVC capacity — companies aim to put pressure on smaller competitors, and ensure that overcapacity becomes someone else's problem.

The suddenness of the industry reshuffle is revealing on another front. "We are all aware," David Bynan says, "that we are in a cyclical business. Demand has been pretty strong in the past year or so, and when companies are running their plants flat out it is very difficult to take the decision to sell. But the next downturn is coming, and perhaps it is not so far off."

The split between buyers and sellers of commodity plants is particularly acute in the German industry, Europe's biggest. Hoechst and Bayer are both adamant about getting out of commodities. Both are fortunately placed in having no integration back into the oil business, or even into the basic petrochemicals such as ethylene.

In the latest reshuffle, Hoechst is selling its polystyrene business to Shell, and Bayer is discussing handing over the marketing of its low density polyethylene to BP. Hermann Strenger, Bayer's chairman, says "our steady move towards speciality chemicals and polymers as opposed to commodities is long established, and will continue to gain strength."

Hoechst's sale to Shell, together with the sale of another plant earlier this year to the U.S. group Huntsman, takes the company out of polystyrene entirely. A year ago, Hoechst also cleared out of low density polyethylene, leasing its plant to Enichem of Italy.

BASF, meanwhile, is on the opposite tack. While spending enormous sums on U.S. acquisitions in the specialities field, the group is also buying U.S. group Monsanto's acrylonitrile plant in the UK, thus becoming at a stroke Europe's biggest producer of a decidely commodity chemical used by the artificial fibres industry.

BASF's higher exposure to commodities is largely a matter of history. Along with Hoechst and Bayer, it was once a constituent of the giant IG Farben chemicals combine. When the combine was broken up at the end of the last war, Hoechst and Bayer bagged the lion's share of more sophisticated products like pharmaceuticals and agrochemicals, leaving BASF with a correspondingly large share of commodities. Thereafter, the group went further along the same road by involving itself heavily in oil and gas feedstocks.

Doubtless with an eye to its two German rivals, BASF is coy about spelling out its policy on commodities. However, the point is put bluntly by one of the biggest of Europe's bulk petrochemical producers. Jim Gordon, worldwide chemicals co-ordinator for Shell, says: "BASF have no more choice about staying in commodities than we do. There are too many eggs in the basket."

The oil companies—Shell, BP and Esso in particular—are of key importance to the European bulk petrochemicals business. As Jim Gordon puts it, "when the boom in petrochemicals started after the war, the oil companies had an early start. We had some technical leads, and we knew how to build big plants. Then the chemical companies like ICI and BASF joined in. We met each other with an almighty thump in the late 1970s, and the sky fell in."

The late 1970s also saw the planning of what may well be the last giant petrochemical plant to be built in Europe for the foreseeable future—Mossmorran, the 500,000 tonne ethylene cracker on Scotland's East coast. Shell and Esso, Mossmorran's joint owners, have recently diverged sharply on their approach to European ethylene production. The reasons have much to do with one overshadowing factor in the equation—the start-up this year of huge new petrochemical plants in Saudi Arabia.

Since 1980, the Saudi holding company Sabic has spent $10.5bn on new plants, mostly in petrochemicals. By 1990, the figure is planned to reach $15bn. In the late 1970s, Sabic invited oil and chemical companies around the world to enter joint ventures on the new projects. U.S. companies—including Esso—took up the offer. The Europeans — including Shell—declined.

Mossmorran brings the European ethylene capacity of Shell and Esso to a massive 1.5m tonnes apiece—20 per cent of the market in total. Faced with the onset of low-cost product from Saudi Arabia, Esso has taken avoiding action. The closure of the Cologne plant, together with the impending sale of a plant in Sweden to Statoil of Norway, will bring Esso's European capacity down to a mere 600,000 tonnes.

But Esso has it both ways. Its partnership with Sabic gives it access to Saudi polyethylene with which to fulfil its European marketing commitments. Shell, by contrast, must grit its teeth and hang on.

So must BP, whose commitment to European polyethylene, strengthened three years ago by its polyethylene/PVC swap with ICI, is further underlined by the impending deal with Bayer. Both groups, though, have the comforting knowledge that as oil companies, they can in the last resort view petrochemicals as a sideline. This option is not open to Enichem, Italy's huge nationalised petrochemicals combine.

Enichem was formed in 1983 to pick up the pieces of Italy's disastrous official policy on petrochemicals. Largely as a form of regional aid, vast amounts of Government money had been spent on plants in the Mezzogiorno, Sardinia and Sicily. In the great petrochemicals slump of 1981-82, the $1bn lost by the Italian industry came close to precipitating an Italian banking crisis.

In the subsequent re-organisation Enichem was landed with all the problematic commodity areas (the specialities went to Montedison, now returned to the private sector). Remarkably, the group virtually broke even last year before financing costs. Its biggest losses came in PVC, a fact which prompted the joint venture with ICI, also a heavy loss-maker in PVC.

Enichem would have moved into net profit this year, had it not been for a fire which has put its biggest ethylene plant, in Sicily, out of action for at least 12 months. The fire was one of a series of accidents at chemical plants which have knocked out well over 10 per cent of Europe's ethylene capacity.

By boosting ethylene prices, the accidents have done much to create an atmosphere of slightly false optimism. "In base petrochemicals," David Bynan says, "there is still a degree of smugness around which one might not have expected at this stage in the cycle."

Few people in the European industry expect the next cyclical downturn to be anything like as ferocious as the last, if only because so much capacity has been taken out in the meantime. But the last and most difficult slice of overcapacity remains, and the latest wave of reshuffling does not answer the problem.

"Commodities are beautiful," says Giancarlo Ghio of Enichem. "Provided," he adds, "that there is sound rationalisation in Europe."

THE CHALLENGE FROM THE NORDIC PLAYERS

THE PETROCHEMICAL producers of Scandinavia are playing an increasing role on the European stage. Restructuring of the type now taking place in Continental Europe is largely over in Scandinavia, through a similar process of sales and disposals. The bigger companies are now taking a hand in the strategic moves going on in Continental Europe and the U.K.

After a rapid series of deals, the Nordic petrochemicals and fertiliser industries are now largely in the hands of Norsk Hydro and Statoil from Norway and Neste and Kemira from Finland.

Denmark's Superfos has also grown fast through acquisitions in the fertiliser sector, but it has concentrated its efforts on the U.S., where late last year it made Denmark's biggest ever investment abroad with the $112m takeover of Royster, the U.S. fertiliser company. In the process it virtually doubled its annual fertiliser output.

Norsk Hydro, its much bigger rival from Norway, has not yet made the big step into production in the U.S. — although it is the leading exporter of fertilisers to the U.S. — but it has emerged as the clear leader in the European fertiliser industry through a strategy built on acquisitions, heavy investment in new plants and a leading edge in technology.

It has made profits even in the worst years recently suffered by the European fertiliser industry, and has seen the problems of its competitors as opportunities for itself. In the past couple of years it has bought up Fison's loss-making fertiliser operations in the UK, it has bought out Veba's loss-making fertiliser operations in West Germany and it is negotiating the takeover of the loss-making Cofaz fertiliser group in France.

Each of these deals will put it in the number two position in the three largest markets in Europe. "Our basic ambition is to be a low-cost producer," says Mr Erik Tonseth, head of Norsk Hydro's agricultural operations. "Our competitors have to live, too, but if we can be more efficient we can live a little better."

Norsk Hydro has no home market to speak of and it has to seek its fortune abroad. Kemira, the Finnish chemicals group, has come to a similar conclusion. Growth potential in its domestic market has been virtually exhausted and with a virtual monopoly position at home it is now moving abroad.

Earlier this year it took over Esso Chemie's nitrogen fertiliser operations in the Netherlands. It is also internationalising its other main activities and in recent times has bought a paint manufacturer in the UK and a $100m titanium dioxide plant in the U.S.

In the plastic materials sector the restructuring process was aided by the decision of KemaNobel, the Swedish chemicals, to withdraw and concentrate its attention on speciality chemicals and consumer products.

In 1983 KemaNobel sold off its PVC operations to Norsk Hydro, while Unifos, its polyethylene joint venture with Union Carbide of the U.S., was sold to Neste, the Finnish state oil company, which is expanding abroad in plastics, plastics processing and batteries to reduce its dependence on the oil industry.

It is the availability of feedstocks from the North Sea that has powered the advance of Statoil—it recently bought Esso's Swedish ethylene plant—and Norsk Hydro into basic petrochemicals and plastics materials, but their foreign expansion is necessitated above all by the need for new markets to supplement a limited domestic base. It is the withdrawal of the U.S. companies such as Union Carbide and Esso that has created some of the opportunities.

Kevin Done in Stockholm

Men and Matters

Reed's reshuffle

A year after he stepped into Walter Wriston's shoes as chairman of Citicorp, the largest banking group in the world, John Reed, aged 46, has decided to reshuffle the bank's senior management officers.

The changes, which had been widely rumoured, preserve Citicorp's young management team almost intact while reshuffling responsibilities.

Thomas Theobald, aged 48, who was Reed's runner-up in the race to become chairman, shifts from Citicorp's huge commercial banking business to take over as chief of its investment banking operations which have been going through something of a sticky patch. No doubt Reed and the Citicorp board are hoping that Theobald's loyal following within the bank will help smooth rivalries which are believed to have contributed to the lack-lustre performance of the investment banking operations.

Richard Braddock, aged 43, a close associate of Reed's and a keen fitness enthusiast, will move up a step in the corporate ladder to take over worldwide responsibility for Citicorp's consumer banking activities while Lawrence Small, aged 43, one of Citicorp's brightest rising stars, will move into Theobald's old job.

Meanwhile Paul Collins, aged 49, who had been head of the investment bank, will become Citicorp's North American senior corporate officer, taking over Small's old job, and is also named chief planning officer for the group.

"Good speech from Doctor Owen—but I'd still like a second opinion"

In from the cold

Last October, Malcolm Walker and Peter Hinchcliffe were to be found dancing on the steps of the Stock Exchange. With the successful flotation of Iceland Frozen Foods, a business begun in a strawberry patch had made them millionaires.

Walker and Hinchcliffe met while working as junior executives at Woolworth's. As a sideline, they bought a strawberry patch, sold the fruit, and with the cash opened a small frozen food shop. But Woolies did not take kindly to this moonlighting—and out into the cold went the frozen food merchants.

More recently, the two of them, along with another pair of directors, tapped the market for a second time, selling 640,000 of their shares for a more modest £3m between them.

"I think we all regretted not having asked for more when we floated," Walker told me yesterday. "And although we obviously did pretty well in October, we all wanted other things, such as houses."

At 38, Walker sees few limits to his frozen food chain. Half year profits, published yesterday, are up. By the year end, Iceland should have 94 shops.

The model for Iceland, however, is not Woolworth. "We want to be the Marks and Spencer of the frozen food business," said Walker.

With Iceland now worth almost £90m, the 15-year-old business has proved—if there was ever any doubt — that strawberry fields can be forever, especially if they are deep frozen.

Rallying point

The first Hong Kong to Peking motor rally, which has taken four years to organise, limped into its third day yesterday, the previous day's racing programme and six special stages having been cancelled.

Some of the world's most fearless rally drivers, used to overcoming the worst possible driving conditions in remote places, have been tamed by a factor that is uniquely Chinese —the country's massive population.

Even my man in Hong Kong—who just a week ago had a bone-shaking foretaste of the roads, or lack of them, that lay ahead of the 36 race teams on the 3,400 km route to Peking—failed to predict trouble from this source.

Though two of the tyres of his Toyota van had burst, he forecast a comparatively easy time for the intrepid rally teams. After all, they had racing tyres, sturdy suspension, 400-horse-power engines, a flotilla of support vehicles, and at least 28,000 public security officers to see them through the steamy heat of China's eastern provinces.

But in the event, it was the vast crowds that lined the rally route, as keen to see their first Western faces as much as the gaudy cars roar past, that brought things to a halt.

Last news was that the rally teams were driving meekly north in convoy from Wuhan—but that they hoped to start racing again soon.

Bank's ace

The appeal of Boris Becker, the 17-year-old Wimbledon champion, as a symbol of youth, hope and success for his countrymen would seem to know no bounds.

Young Becker has now been signed up by none other than Deutsche Bank, the largest West German bank, which has a proven record of picking winners. The Deutsche — for a consideration put by unconfirmed reports at a cool DM 3m —has secured exclusive rights in the banking field to the Becker name for the next three years.

But the idea of a venerable bank looking to the tennis courts to promote itself should not be too much of a surprise. Thanks to his Wimbledon victory, Becker is probably the world's best-known West German. And Deutsche Bank has already raised a few eyebrows with an expensive domestic advertising campaign earlier this year extolling the merits of the Federal Republic.

What more natural, then, that through the youth-cult figure of Becker it should carry the battle further afield?

Retreat from Moscow

Political expulsions are expensive for some and good business for others.

When I asked one Fleet Street editor whether the Government would help pay the repatriation costs of his man expelled from Moscow he exploded into what I can best describe as the fury of one unable to influence events.

But a West German company, specialising in moving diplomats' effects, is laughing all the way to the bank over its unexpected autumn windfall.

"It is bad for you, but good business for us," says Bragutin Brnasevic, the Moscow man for the Bonn-based firm. "We never had so much business at this time of the year, and we are having to call in extra trucks."

Observer

ECONOMIC VIEWPOINT

How to look at rival strategies

By Samuel Brittan

AS FAR as economic policy is concerned, I have always found the structural reforms canvassed by the Alliance on matters such as wage determination and capital ownership a good deal more interesting than its more conventional cry for more infrastructure spending and demand boosting in general.

The joint policy statement issued by the Alliance before the SDP and Liberal Party Conferences made a brave attempt to quantify the Alliance's current economic ideas. It is described as a "background document" and the figuring is in terms of the period up to 1987. *Thus it is more a contribution to the current policy debate than anything which could commit Alliance leaders if they had a share in government after a 1987 or 1988 general election.*

The basic problem can be stated fairly simply. There is no one-to-one relation between the growth of output and the creation of jobs. The unemployment figures depend also on such things as the rate of entry into the labour force of people, especially women, not previously registered as unemployed; the effects of next October's revamping of National Insurance scales on the profitability of employing unskilled labour; the effects of the Youth Training Scheme, the expansion of the Community Programmes and numerous other specific factors.

But having made these qualifications, it is still true that a major and lasting improvement in unemployment does depend on a reasonably rapid growth rate. The Treasury's projected 2 per cent per annum growth rate in the years ahead may, if achieved, be accompanied by a continuing rise in unemployment or a very slight fall. Which of the two it will be is a matter of luck and the timing and the impact of special schemes already mentioned.

To make a real dent in unemployment, growth would have to be more like 3 per cent than 2 per cent, to name a necessary but not sufficient condition. One can easily agree with the Alliance that, if unemployment is to *fall by half* a million by 1987, real growth would have to be nearer 3 per cent than 2 per cent and, in addition, there would be the need for special measures targeted on the jobless.

The main fault of the Government's strategy is that it identifies excess pay as the main obstacle to more jobs, without doing anything very specific to prevent excess pay awards from occurring.

The Alliance is clear enough *in its headline statements that* boosting demand would not be enough *to secure more jobs* without what it calls "an incomes strategy," to make sure that growth is real and that the demand boost is not frittered away by rising inflation.

But I have the following doubt about Alliance strategy. If it really is confident that it can influence pay settlements in an employment-creating way—in plain English to reduce them—it does not need a *demand boost.* The present growth of demand in money terms would be more than enough to boost output and employment if it were not frittered away in higher pay and prices.

The Alliance recommends what it describes as a £5bn per annum budgetary boost—presumably to take effect over the *next couple of years.*

The Alliance researchers have gone through the ritual of putting their programmes through "the Treasury model." This is far from a matter of just pressing a button and waiting for the results to come up on a screen. To use the model numerous decisions are required by the user about underlying assumptions and about alternative variants of the model *itself, as I discovered when I* wrote about the model over three years ago to take my mind off the Falklands War.

If anything, the researchers have been excessively honest in not trying out more assumptions to find a more favourable result.

The simulations do indeed show growth at nearly 3 per cent per annum instead of the Government's 2 per cent in the next couple of years and a fall in unemployment of half a million.

On the other hand, the Sterling Index takes a knock. As this is over a period when most forecasters would also expect the dollar to fall, a pretty sharp drop is surely implicit against the EMS currencies.

The UK also emerges with a substantial and growing current payments deficit. This is not the end of the world; but unless it coincides with an increased *long-term underlying capital* inflow, there could be further devaluation on the way.

The behaviour of sterling must be one of the reasons why inflation is seen rising to 7½ per cent by 1987 instead of falling to 5 per cent and then 4 per cent as the Government expects.

The Alliance statement says *that if* voluntary restraint cannot ensure a slower growth of *earnings than at present,* legislation for a tax on pay increases *would* be introduced "in the second year." The simulation does not, however, show more than a slight dip in earnings in 1986, which does not last into 1987. The most that the Alliance can claim is that earnings might have risen still more under the impact of higher labour demand and rising inflation without its special measures.

Still, it is difficult to escape the conclusion that Alliance *policies have on this simulation* simply "bought" a reduc*tion in unemployment at the* expense of rising inflation. Job increases bought in this way are apt to be temporary.

To put it in commonsense terms; a 7½ per cent rate of inflation is not in British conditions a very good environment for promoting jobs, as the present Conservative Chancellor found when he took somewhat *similar* risks—although with interest rates and sterling—in *an attempt to boost growth last* autumn and winter.

The bottom table presents a common framework in which to *display Government projections,* the Alliance alternative and my *own third variant. The assump*tion is that the Government's *monetary and fiscal policies can* have a good deal of influence over the trend of spending in money terms, which is measured by Nominal GDP. But the division of this increase between higher pay and prices on the one hand, and increased output on the other, depends on what happens on the ground in pay bargaining and other ways.

In the first line I have given the Government's projections *for Nominal GDP. It is on these* projections that its monetary and fiscal policies are based, although you would not always know this from the mumbo-jumbo about the monetary aggregates.

The Alliance does not give explicit projections for Nominal GDP, although its spokesmen have quite often talked about *basing demand management on* this criterion. I have tried to translate the Alliance projections into terms of Nominal GDP, roughly but fairly.

The sceond line contains the GDP price deflator. This is basically an index of domestically generated inflation and excludes imports.

The relationship between the *more popular Retail Price Index* and the deflator varies from *year to year.* I have assumed in the table that the deflator rises on average by some ½ per cent per annum less than the RPI.

The final line shows what is left for real growth after taking account of erosion by inflation. I have given the Alliance the benefit of the doubt and have assumed that it can secure a 3 per cent rate of *output* growth.

But now I come to my nagging question. If the Alliance knows how to divert demand into real growth, whether by pay policies or by careful targeting of the direction of demand, why should it bother to boost nominal demand altogether? Why not stick to the existing rate of *demand increase* and use the Alliance policy to obtain a *better mix between output and* inflation?

Of course I know the political answer to my own question. The *Alliance is politically committed* to public expenditure increases and the rhetoric of infrastructure spending. Its backroom boys can do what they like with the numbers so long as they do not ditch approved policy en route.

But to sort out the argument. It is still *helpful to press the* questions. I have therefore inserted into the bottom table a third suggested path of my own for nominal GDP.

Whereas the Treasury envisages a falling path for nominal demand and the Alliance a rising path, mine envisages a fairly stable one; that is that we try to maintain *the 7 per cent growth in* demand, which has been expected in 1985, *after adjusting* for the temporary stimulus due to the end of the miners' strike. This avoids the two main risks to jobs from macroeconomic strategy: the one that the economy will be depressed by an *insistence* on reducing inflation too quickly; the other that it will be *hit by a crisis of* rising inflation.

The worst that can happen on my third path if pay restraint or other structural measures fail, is that output will not rise by more than the 2 per cent projected by the Treasury, while underlying inflation will remain at 5 per cent, dropping very slightly over several years. *If, on the other hand, direct* measures on pay and jobs do help as *much* as the Alliance hopes, there would be 3 per cent real growth and 4 per cent inflation over the next couple of years. In neither case is there a risk of accelerating inflation leading to a crisis squeeze.

In an attempt to illustrate principles I have made the arithmetic more mechanistic than it can ever be in practice. The jobs outlook depends in the main in *dealing* with the kind of problems which lead to *pressing labour shortages in* some parts of the Midlands, side *by side with scant job prospects* for school leavers in other parts *not far away.* It *depends on* tackling the pricing-out-of-work culture *more boldly than any* Opposition party hoping to pick up votes from disaffected public sector workers can hope to *avow.*

The role of economic strategy, macroeconomic policy, demand management, or whatever you like to call it, is more modest. It is to prevent real world difficulties from being aggravated by slumps in demand or inflationary shocks. It is a difficult enough task to perform without claiming for it more than it can hope to achieve.

ALLIANCE SIMULATION

% Change	1985	1986	1987
GDP: output	3.5	2.8	2.9
Unemployment (UK millions)	3.1	2.7	2.64
Inflation* (retail prices)	6.2	5.9	7.5
Current Balance of Payments (£bn)	+2.5	−2.2	−4.8
Exchange Rate (Sterling Index)	75.02	74.4	71.4
PSBR (£bn fin years)	7.1	10.7	10.8
Interest Rates (3mth Inter-Bank Rate)	10.9	10.4	10.6
Average Earnings	8.3	7.7	8.2

* In the 12 months to Aug 1985.

HOW TO VIEW ALTERNATIVE POLICIES

% Changes

	1985		1986			1987			1988	
	Treasury projection	Adjusted for miners' strike	Treasury projection	Alliance variant	S.B.'s variant	Treasury projection	Alliance variant	S.B.'s variant	Treasury projection	S.B.'s variant
Nominal GDP	8½	7	6½	8½	7	5½	10	7	5	6½
Price deflator	5	5	4½	5½	4	3½	7	4	3	3½
Real GDP	3½	2	2	3	3	2	3	3	2	3

N.B.—Rise in Nominal GDP equals approximately rise in Real GDP plus Price Deflator (slight discrepancies due to rounding or adding of percentages).

Lombard

Codes of conduct in the City

By Barry Riley

THE Singer & Friedlander affair is a reminder of the strains upon judgment that can be imposed by such a lucrative issue as British Telecom. The news has broken at the same time as tension is mounting over the list of names of allegedly illegal multiple applicants *to the BT issue which is* currently in the hands of the Director of Public Prosecutions. This matter is thought to be of personal interest to partners and employees of a number of leading stockbrokers and merchant banks.

It has emerged that the chief executive of Singer, Mr Anthony Solomons, and other staff and private clients of the bank, were allocated substantial numbers of BT shares which according to the prospectus were intended for "institutional investors." After investigation, the bank has *somewhat puzzlingly* concluded that those involved acted "honestly and in good faith" but that there was "an error of judgment." The bank's internal rules are being changed.

Such events *can only damage* the reputation of the City of London in the eyes of the public at large, and they prompt various further questions.

Were there other institutions in which shares allotted to so-called "priority applicants" last November were diverted into the hands of private individuals? Did they break any rules if they did so? Are they subject to the authority of any regulatory body in such matters?

It is a curious fact that investment management is almost wholly unregulated—though this will have to change once the new framework of financial services legislation has been *installed. Investment* managers have enjoyed almost com*plete discretion* and *have been* subject only to minimal disclosure requirements—even to their clients, let alone to the public.

Standards have risen since the *old days when clients* actually *expected* merchant banks to enrich them through use of inside information and through favoured access to new issues. But memories linger on, and it is not surprising that some practitioners should get a little muddled over the standards of behaviour that should currently be applied.

Nor does it help matters *when the issuing* departments of merchant banks start differentiating in favour of ill-defined "institutions." What about a unit trust management company as opposed to the unit trusts it runs? In last month's Britoil issue an individual might also have made a tidy profit if he had got hold of an institutional allocation. Private applicants, of course, had to make do with 100 shares each.

None of this excuses Mr Solomons' error of judgment, but *it does emphasise the need* for a clear code of conduct to be imposed *upon the fund management* industry. The mooted self-regulatory body for investment managers should address itself urgently to the problem.

The self-regulatory route is by far the most appropriate. Any code of conduct will have to be applied flexibly in individual cases, and will have to be regularly changed to meet new circumstances. *Usually* public exposure and censure will be *more suitable punishment* than fines, though it will also often be right for the profits from irregular deals to be paid back.

The inadequacies of a legalistic approach are shown by the clumsiness of the treatment by the authorities of the affair of the multiple BT applications. Such multiple applicants ignored a clear warning in the prospectus that they should apply only once. There is an obvious case for quickly exposing their names and censuring them, but it is not so clear that the offence is so serious as to *justify lengthy criminal prosecution.*

In any case the *DPP* is reportedly having trouble proving that any law was actually broken. The legal *authorities will look ridiculous* if, having proclaimed loud and *clear through* Kleinwort Benson before the issue that multiple applicants would be in breach of Section 15 of the Theft Act, they do not dare to prosecute the group of individuals that were caught red-handed.

Letters to the Editor

Risk to friendly societies

From the General Secretary, Pioneer Benefit Society

Sir,—*The last paragraph* of Mr K. D. Williams' letter (*September 16*) will find an echo among many friendly *societies who* are concerned that their sales force consisting primarily *of spare time agents,* and district secretaries will not *be able to meet the proposed life* assurance licensing provisions which will threaten the marketing of their traditional business. The provisions apply to any long term personal insurance or investment contract, not only to life assurance, and will for instance include the "Holloway" contract providing sickness and accident cover with in addition a lump sum payment on retirement irrespective of the claims experience, a contract which has been marketed by a number of societies since the last century.

The first of these societies was formed in 1875 by the philanthropist George Holloway, MP for Stroud, since when his scheme has helped many thousands in times of hardship. It is sold more by personal recommendation in a neighbourhood and on the shop floor than by the hard selling full time representative and its club style promotion by a Society's own members in their spare time must include not only an incentive award to those who generate it but also the completion of a *simple* proposal form, an activity for which a licence *would* be mandatory under the proposed regulations. The latter may be desirable for the full time professional salesman but may well drive many traditional friendly societies out of business. Is this what the Marketing of Investments Board or indeed HM Government intends?

Any statutory or self-regulatory licensing provisions must recognise the special position of friendly societies if they are to continue to market their excellent non-profit-making contracts among their traditional customers, nor must their voice be too small to be heard.

J. M. C. Hutton.
10, Wicker Hill,
Trowbridge, Wilts.

Supercharging systems

From Mr D. Tryhorn

Sir,—Your motoring article of September 14 tells us that the Volkswagen G-charger is 65 per cent more efficient than the Roots-type. Surely this cannot apply to the accepted definition of efficiency, as the theoretical power to the actual power absorbed. By the laws of scale the efficiency of the Roots-type increases with size from about 50 per cent to 70 per cent, suggesting that the G-type would range from 82.5 per cent to 115.5 per cent. This would put us *well on the way to the* perpetual motion gas-turbine.

The figures would tie up better if the word effective had been used *instead of efficiency.* This I would then take as the *ratio of the density of the* charge delivered to atmo*spheric, for example 1.2 for the* Roots rising to 1.65 x 0.2 + 1 = 1.33. *This would* be expected to give a 40 per cent increase *in torque,* and is within the capacity of supercharging sysetms in this country.

D. W. Tryhorn.
Lower Knowle,
West Charleton,
Kingsbridge, Devon.

Tourism and jobs

From Mr B. Butler

Sir,—David Trippier as the new Minister for Tourism has certainly taken on a challenging but nevertheless uphill task. Why? In Lord Young's report to Parliament "Pleasure," leisure jobs" he quotes a figure of 50,000 new jobs in tourism a year. As *upwards of 1m people* are employed in tourism full-time this *means* an annual increase of 5 per cent. Lord Young and David Trippier have been set and accepted quite a target. I will explain.

That target is one conjured up and widely quoted by Mr Duncan Bluck the chairman of the British Tourist Authority. In the recently published annual report by the English Tourist Board for 1984-85 the estimated yearly increase is quoted as 40,000. *This means a combined* increase of 10,000 jobs in Scotland and Wales. *In what* proportion should this figure be dividend between the two countries?

Now let's look at England rather more closely. According to the ETB annual report, over a two year period 1983-84 and 1984-85, the board's financial aid scheme has helped only to create 3,756 full-time equivalent jobs —a very *small contribution to* the expected 40,000 new jobs a *year. So how, when, where and* by whom is the 40,000 figure to be achieved? Reducing red tape will only contribute to a small degree.

To examine this situation a little more, some 60,000 people in the north east (*Cleveland,* Durham, Northumberland and *Tyne and Wear*) are employed in tourism. If the suggested 5 per cent is used as a norm, this would mean an increase of 3,000 jobs a year in the region. In no way is this target achievable. In my opinion 2 per cent is nearer the mark. And I would hazard a guess that this percentage also could be accurately applied to all four northern regional board areas.

If this supposition is correct, then obviously the vast majority of the estimated increase is likely to take place in England's south, thus widening the north-south divide. To redress this potential imbalance, Lord Young will need to consider the creation and scheduling of tourist development areas to stimulate development and employment in those under-developed areas which have a considerable tourist potential, as for instance the Anglo/Scottish *border country. The so-called* Industrial Development Areas *of the 1960s, which then* included service industries, were extremely successful in generating new hotels and attractions particularly *in the north east.* But that did not occur overnight. It took up to five years to achieve a substantial improvement in the region's tourism infrastructure.

It is not unreasonable to ask is the spending its grant aid money wisely? For instance, a £300,000 grant to an international hotellier to build a luxury hotel in prosperous Brighton seems to me to be inexcusable. Clearly, the ETB policy on financial assistance *needs radical reappraisal. There* is widespread dissatisfaction in the way in which the scheme is being administered. The entrepreneurship of the small proprietor needs much greater encouragement than hitherto. The "big boys" are better equipped to look after themselves—and do.

Bill Butler.
7, Relton Place,
Whitley Bay.

Privatisation of business schools

From the Principal, London Business School

Sir,—Your report (September 16) on privatising business schools unfortunately misquotes me. This school is autonomous with its own board of governors. Some 72 per cent of our income is earned through post-experience programmes, in-company programmes and various research grants, all of which are *fully self-supporting.* The remaining 28 per cent is received by way of a government grant and is put entirely towards the support of young British students on our post-graduate MBA programme. Thus, already private in legal terms, we are almost three-quarters private in income terms. The issue for us is not privatisation per se, but rather the future of the MBA programme.

We recognise, and would welcome, the greater freedom that could come from full privatisation. Nevertheless we are apprehensive as to how, and in what form, our internationally recognised MBA programme would survive such a financial cut-back with the fees for British students approximately quadrupling. The nation is short of able young managers, and a diminution of post-graduate numbers would surely be detrimental to the desired growth within the British economy.

(Professor) P. G. Moore.
Sussex Place, NW1.

Land for housing

From Mr N. Bowie

Sir,—In your issue of September 14 Sir George Young, Environment Under Secretary is quoted "High land prices are the builders' problem, not ours."

That is patent nonsense. Prices are governed by supply and demand. Where demand is strong and supply weak prices rise, whether of land or any *other commodity.*

House prices in the south east are rising unhealthily above the rate of inflation and this pushes *up wage demands. It is not* uncommon now for the land *content in a house price in the* south east to be around 45 per cent as compared with 20 per cent—25 per cent elsewhere in the country.

The only way to bring down house prices is to reduce the price of land and the only way to do this is to increase the supply of land available for residential building and, in some instances, the density of houses per acre. The responsibility lies clearly and firmly in the hands of central government and nowhere else to zone more land for residential use *and provide the money for the* basic services.

The Government *is committed* to reducing inflation and it is *failing to use one of the more* important weapons which is completely in its hands.

Norman W. Bowie.
1 Uplands Close, SW14.

FINANCIAL TIMES

Thursday September 19 1985

Setback at Unipart may delay sale of BL subsidiary

By Kenneth Gooding in London

BL, Britain's state-owned motor vehicle group, might have to delay the planned sale to the private sector of Unipart, its replacement-parts distribution subsidiary.

The doubt over the sale, scheduled for November, follows a fall in its operating profit, the only level provided by BL, from £8.9m to £4m.

The figures were revealed in BL's half-year results, announced yesterday, which showed the group suffered a £44.8m ($60m) loss. There are no comparable figures because Jaguar's results were included in those for the first six months of 1984 when BL declared a net loss of £34.9m. Jaguar was returned to the private sector in August last year.

BL's figures suggest, however, that, apart from Unipart and the bus business, which is suffering from a slump in demand, all the other operations moved in the right direction during the half-year. But high interest rates had an adverse impact on the net result.

Ironically, problems with the Edmunds Walker distribution business – acquired from AE in August last year for $15m and designed to make Unipart a more attractive proposition for privatisation – were mainly responsible for the fall in Unipart's profit.

Although Edmunds Walker provided Unipart with another 120 outlets and 30,000 motor-trade accounts to add to its components distribution business, it was suffering a net loss of about £5m a year. It has proved more difficult than expected for Unipart to pull the business back to profit.

Unipart has now decided to draft in more of its scarce management resources. Mr Neil Warwick, formerly sales manager of Unipart International, has become managing director of Edmunds Walker's automotive division and taken a small management team with him.

Any substantial delay in the Unipart privatisation process would embarrass the BL board which is under pressure from the UK Government to sell off more of its operations following the successful £297m disposal of Jaguar.

● Aveling Barford, the Grantham-based construction equipment group, has made a substantial recovery after its purchase from BL by a U.S. entrepreneur in December 1983, writes Ian Rodger in London.

Yesterday, the group, which suffered large losses in the late 1970s and early 1980s, reported a return to profitability in 1984. Net profits reached £1.2m compared with a loss of £7.2m in 1983. Turnover was flat at slightly more than £30m.

Thatcher ends tit-for-tat after Soviets expel six

BY ROBERT MAUTHNER IN LONDON AND PATRICK COCKBURN IN MOSCOW

BRITAIN yesterday put an end to its diplomatic confrontation with the Soviet Union after Moscow had expelled another six Britons in retaliation against the six Russians ejected from the UK on Tuesday.

Mrs Margaret Thatcher, the UK Prime Minister who was informed of the latest Soviet reprisal while on a visit to Egypt, told journalists: "We shall not respond further to their wholly unjustified expulsions."

Moscow's action brought the number of diplomats, journalists, trade officials and businessmen, expelled by both sides, to 31 each since last Thursday, when Britain initiated the tit-for-tat moves by ordering 25 Russians named by the Soviet KGB defector Mr Oleg Gordievsky out of the country.

The six Britons expelled by Moscow yesterday include Mr Ian Christopher Sloane, a First Secretary in charge of cultural affairs at the British embassy, four military attachés, a communications officer and Reuters newsagency correspondent, Mr Martin Nesirky.

The reasons for the UK Government's decision are not difficult to find. Mr Mikhail Gorbachev, the Soviet leader, had reacted with unexpected toughness to the punitive steps taken by London against Russians in Britain, identified as intelligence agents by Mr Gordievsky, former head of KGB operations in Britain.

A third round of deportations by Britain would have been pointless, given Mr Gorbachev's "eye-for-an-eye" tactics, which broke with past Soviet practice in cases of this kind.

Up to last Thursday, Moscow had usually responded to the expulsion of its "spies" from Britain by sending home a smaller number of Britons, in line with the smaller size of the British community in Moscow than the Russian community in London.

Suggestions that Britain's wish "to draw a line under this affair," as the Foreign Office described the Government's decision, could be interpreted as weakness were vigorously rejected by officials. The fact that the "heart" of the Soviet Union's intelligence activities had been broken was a major achievement and could hardly be interpreted as a defeat, they said.

Sir Geoffrey Howe, the British Foreign Secretary, admitted that the whole affair had been "a severe setback" to UK–Soviet relations, but that was not Britain's fault.

"The Soviet authorities must bear the full responsibility for this lamentable episode," Sir Geoffrey said.

Sir Geoffrey still expects to have bilateral talks with Mr Eduard Shevardnadze, the Soviet Foreign Minister, in the margin of the United Nations General Assembly meeting in New York next Monday. Sir Geoffrey hoped the Soviet Union had finally learned the lesson that improved relations could not be bought at the expense of the UK's security.

Warning on disruption to alliance, Page 2

Greece arrests three for spying

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK Government announced last night that two computer engineers employed in the private sector and a navy lieutenant have been arrested on charges of spying for the Soviet Union.

The arrests come 3½ months after disclosures about Soviet intelligence activity in Greece, reportedly made by Mr Sergei Bokhan, a First Secretary at the Soviet embassy in Athens, who defected to the U.S. at the end of May.

The Soviet diplomat is said to have been familiar with the activities of Soviet intelligence in Greece and in his debriefing reportedly disclosed the involvement of Greek military personnel and private citizens in spying for Moscow.

The Interior Ministry announced yesterday that Mr Michael Megaloeconomou, a computer engineer, working in Greece for ITT, Hewlett Packard and Standard Electric, and Mr Nikos Pipitsoulis, described as a computer businessman, both "collaborated with members of the official Soviet representation in Greece." They have been charged with spying for the Soviet Union and violating state secrets.

A separate announcement by the Defence Ministry said that Mr Vasilis Serepisios, a lieutenant employed in the records office of the naval command until being transferred to a less sensitive post last August, was arrested three days ago for questioning regarding leaks of information "vital to the national interest of a foreign power."

Greece will be urged to demonstrate that it is acting to plug security leaks to the Soviet Union when a team of U.S. State Department and Pentagon officials arrive in Athens later this month, to initiate discussions on the signing of a General Security of Military Information Agreement.

American anxiety over leaks of military technology from Greece to the Soviets was reportedly aroused by Mr Bokhan's revelations this summer, and this is understood to be the cause for a delay in the approval by the Pentagon of an export licence for 40 F-16 fighter aircraft for the Greek Air Force. Conclusion of the information agreement is understood to be a prerequisite for the approval of the licence.

Hernu defends French forces against Greenpeace allegations

Continued from Page 1

still had taken no action to remedy the "deficiencies" in the secret services as promised by M Laurent Fabius, the Prime Minister, at the beginning of the month.

M Hernu yesterday described his approach as being marked by "confidence and intransigence." He said he would not allow the reputation of senior officers to be called into question.

In taking such an uncompromising stand, in the face of considerable circumstantial evidence, M Hernu is evidently counting on the opposition supporting him in defence of the armed forces and France's nuclear interests.

● The Government in general was yesterday facing up to the Greenpeace storm with a stiff upper lip. Most ministers were smiling as they emerged from the weekly Cabinet meeting over which the affair hung like a nightmare.

Mme Georgina Dufoix, spokeswoman for the Government, said yesterday that the administration's only concern was "to establish the truth." This followed M Hernu's formal denial on Tuesday night that a third French team had been involved in the sinking of the Rainbow Warrior. He also said that his Ministry had certainly not given orders for the ship to be blow up.

There is no doubt that President François Mitterrand's administration has been badly shaken by the allegations made in Le Monde, Newspapers like Liberation, normally sympathetic to the Government, carried front-page headlines yesterday morning that bore the word "lies." Le Monde returned to the attack last night asserting that M Hernu's statement on Tuesday had not begun to answer the discrepancies in the official account of the incident.

The second round of the Greenpeace affair is potentially far more serious for the Government than the first. The first round brought the DGSE under suspicion. Many in France were prepared to shrug their shoulders at the incident, in which a Portuguese photographer died, because the French nuclear deterrent – and hence France's security interests – was involved.

The "second round" brings additional evidence, apparently tending to confirm that the French secret services were responsible. But the accusations go well beyond that. In addition to the claim that M Hernu and the three senior officers lied to the official inquiry, M Mitterrand is implicated because as President he is head of the armed forces – a role on which he much insists – and thus responsible for his immediate subordinates.

However, according to Le Monde, the President is also implicated because he was "alerted" by M Pierre Joxe, the Interior Minister, on about July 18, eight days after the sinking regarding the involvement of the DGSE in operations in New Zealand.

It is still not clear exactly what M Joxe told M Mitterrand but the inference is that the President already knew a great deal before setting up an inquiry whose "official" purpose was to get to the root of the affair.

The combination of alleged lies and "covering up" is leading the French press and opposition to speak of another "Watergate." The charge against M Mitterrand in its extreme form, as formulated by M Roger Chinaud, a right-wing deputy, is that "he has lied to the French more than Richard Nixon did to the Americans."

The dragging of M Mitterrand's name into the affair is threatening his goal of establishing a foreign policy consensus that will reinforce his domestic position. It could undermine his prestige in advance of the critical duel he will conduct next year when he attempts to keep the Socialist flag flying at the Elysée Palace if the right wins a majority in the National Assembly.

The most immediately worrying factor for the Government, however, is loss of credibility. M Hernu's statement on Tuesday was treated sceptically by the press. It was also greeted sceptically by many in the Socialist Party including the former government spokesman, M Max Gallo.

The Le Monde journalists who prepared the report are considered by Socialist officials as "serious" and having access to well placed sources. There is little doubt that Le Monde – which is sometimes dubbed unkindly by the opposition as the government Pravda – would not have put the article on its front page and returned to the attack yesterday if it had serious doubts about the authenticity of its information.

Pressure on the administration from the Socialist Party to pursue more detailed enquiries has been fanned by recent statements by M Fabius, emphasising the Socialists' concern for moral values and their determination to discover who the culprits are.

The Government seems to have two ways of getting itself off the hook. The first is to rebut the Le Monde claims by naming those who it believes responsible. Until now the Government has maintained it had no additional information; but last Friday officials at the Elysée were saying that they had their suspicions.

The second lies in accepting Le Monde's findings and punishing those responsible. The difficulty with this route is that with less than six months to go before a parliamentary election, the Government has no wish for a purge that could go right up to the Elysée Palace itself.

French budget entails cut in real spending

Continued from Page 1

Bérégovoy, the Finance and Economy Minister, said.

The Government also announced yesterday that it would pay back the forced loan it raised in 1983 when it first brought in its economic austerity programme.

The special obligatory loan raised FFr 13.7bn for the French Treasury and was due to mature next June. The Government will repay the loan next January in view of the improved state of the economy and to help reduce further its interest charges.

M Bérégovoy made another call during the presentation of the budget yesterday for a lowering of French interest rates to help stimulate economic activity.

The Bank of France is now expected to reduce its money market intervention rate again probably as early as today.

The new rigorous budget will lead to 4,300 net job reductions in public administration next year, with the largest cuts in the Post and Telecommunications Ministry.

Warburg launches issue of stripped UK gilts

By Maggie Urry in London

ZEBRAS galloped into the Eurobond market yesterday as S. G. Warburg resuscitated the idea of zero-coupon bonds backed by UK Government securities. The first attempt at gilt stripping, made by Quadrex Securities last month, failed, but this issue looks likely to succeed.

The zebras – zero-coupon Eurosterling bearer or registered accruing securities – are backed by four gilt-edged stocks maturing between 1992 and 1996 and paying coupons in January and July each year.

They will be held by a Dutch company which will issue the zero-coupon bonds.

Seven of the coupons and the four principal amounts are being sold at a discount as zero-coupon issues. A few of the coupons are being rolled into the principal amounts to add to the size, and hence the liquidity, of these portions. The pre-1988 coupons have been sold separately.

The issue proceeds total £94.295m, while the redemption amounts total £193.24m.

The structure of the issue is more sophisticated than the Quadrex issue, and solves many of the problems which that deal brought to light. Quadrex found that the individual coupons were hard to sell, while there was good demand for the corpus, the principal amount. By taking four gilts, Warburg is increasing the proportion of the total issue which comes as the more attractive parts.

The issue was also carefully presyndicated to ensure a smooth launch, and the major marketmakers in Eurosterling paper are heavily represented in the eight-strong group. However, the bonds are still unattractive to UK taxpayers.

Fees range from 1.6 per cent of the face value on the shortest issue to 1.1 per cent of the longest. Demand yesterday was sufficient to take out some of the bonds completely, while the others were trading within the fees.

See Lex; Eurobonds, Page 19

DETAILS OF ZEBRA ISSUE

Principal value	Issue price	Redemption date
£6.5m	79.15	25/1/88
£6.5m	75.15	25/7/88
£6.5m	71.40	25/1/89
£6.5m	67.90	25/7/89
£6.5m	64.40	25/1/90
£6.5m	61.05	25/7/90
£6.5m	57.90	25/1/91
£30.74m	53.55	25/1/92
£32.00m	46.10	25/7/93
£40.00m	39.70	25/1/95
£45.00m	36.00	22/1/96

Co-founder of Apple resigns

Continued from Page 1

his plans to manufacture computers.

In a letter addressed to Mr Mike Markkula, Apple's vice-chairman and former president, Mr Jobs claimed that Apple's board "appears to be adopting a hostile posture toward me... accordingly I must insist upon the immediate acceptance of my resignation."

"I find myself both saddened and perplexed by the management's conduct in this matter, which seems to me contrary to Apple's best interests."

Mr Markkula, said, however, that "as chairman of the board Mr Jobs is responsible for protecting Apple and acting in the best interests of the company. In light of recent events, the board continues to evaluate what possible actions should be taken." The company has consulted its lawyers.

For Apple, Mr Jobs' public statements have come as a severe embarrassment. "Sometimes it leaves me feeling like I'm living in a real-life version of television's Dynasty soap opera," Mr Sculley said on Tuesday.

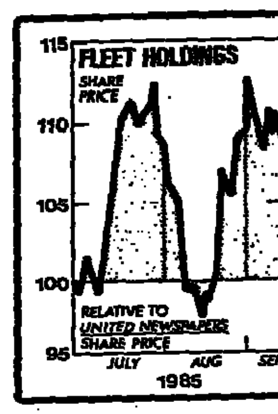
Dissension between Mr Jobs's Macintosh division and the Apple II division is believed to be at the root of Apple's current problems. A conflict between Mr Jobs's role as company chairman and booster of the Macintosh sometimes at the expense of Apple's other products – emerged over the past year as Apple managers complained that the Apple II divison did not receive due acclaim.

Mr Jobs is expected to fund his new company with cash raised from the sale of Apple stock. In recent weeks he has announced plans to sell Apple shares worth approximately $20m. He currently holds a 9 per cent stake in the company. Apple's shares were $1 higher at $16¼ at the close yesterday, against a high of $60 two years ago.

THE LEX COLUMN

Fleet in its battle order

United Newspapers' attempt to take over Fleet Holdings has never looked likely to be an easy winner. From the moment that United picked up Mr Robert Maxwell's stake in Fleet, the Fleet share price has kept irritatingly out of United's reach, a distance which yesterday's Fleet defence document seems unlikely to narrow. Bolstered by a substantial rise in profits for the year to June – showing £28.5m before tax against last year's £22.2m – Fleet was in a good position yesterday to exchange courtesies with United as to which group had the more effective management.



Although the quality of management is presented by both sides as the major point at issue, that will scarcely decide the outcome of the struggle. United has criticised Fleet for not tackling the fundamental problem of its Fleet Street costs – and for evading the issue of overmanning by loading its presses with an extra title, the Star. Yet it is an empty question what United would have done in Fleet's place at the time, and it is scarcely irrational of Fleet to allow other proprietors – including Mr Eddie Shah – the luxury of taking on the print unions.

As things stand, whoever owns the Daily Express in a couple of years' time may stand a chance of producing on a much lower cost base than it has now, with a huge effect on the potential profitability of the titles; but United is not the only catalyst or even the main one. Though United's chairman is a past master at arranging underwriting – and will probably have to try his powers again if his bid is to succeed – United's own shareholders will have to ask themselves if the current odds on a Fleet Street revolution make the dilution worth their while. And Fleet shareholders will feel no pressure, as yet, to do anything at all.

Zebras

An unhelpful tax regime in the UK has made the menagerie of stripped bonds difficult to transplant from its native habitat on Wall Street. The failure of a stripped gilt issue put together by Quadrex a few weeks ago has not, however, stopped others from trying; as yesterday's Warburg issue – known as Zebras – has shown, there is sometimes a premium for coming second.

Accepting from the outset that these gilt-backed zero coupon securities would be of interest only to offshore or gross funds, Warburg was able to concentrate its marketing effort in the right places. And for Warburg to call on the full weight of Akroyd and Rowe & Pitman cannot have harmed the Zebras' chances; a foretaste of the new gilt-edged market. But how you price things is as important as who you are; compared with Quadrex's "Stags," the shorter-dated Zebras (which represent the gilt coupon payments) are much more generously discounted, while the longer-dated Zebras (the principal repayments) are enlarged by rolling in part of the interest stream. Though the City Zebras may not multiply very fast, yesterday's marketing suggests that they at least have greater survival potential than Stags.

UB/Olives

The market has chewed its way through a good deal of United Biscuits paper lately and was rewarded yesterday with yet another helping: a £30m placing to finance the purchase by UB of a Californian olive business. Fortunately for UB, the deal is such an evident bargain that there seems no danger of the market choking – beyond marking the share price down 3p yesterday to 176p.

The seller, Early California Industries, is in some distress: swamped by import competition in its rice and bulk wine businesses, it is seeking to reduce a crushing level of debt as a prelude to a buyout. Whatever the earnings multiple a perfect market would place on green and black cocktail olives, a maximum price of $73m does not look opulent for a business that made $10m before tax in the year to last March, is growing at roughly 10 per cent a year (gluts permitting) and has relatively low requirements for fixed or working capital.

On a cash basis, Early California Olives would cover its financing costs both in the last quarter of this year and next year; and that still leaves something to gain if olive distribution can be fitted in with the products of UB's San Francisco operation, Specialty Brands. It may not matter that the olives seem to have been bought because, like Everest, they were there; but in branching out at this stage of the U.S. soft cookie war, UB is displaying a salty confidence that will need to be justified by events.

Woolworth

Yesterday's results from Woolworth, while hardly wondrous, were reasonable enough to keep the sellers in the rest of the market at bay. Pre-tax profits have risen to £7.5m from next to nothing in the first half of last year; but since Woolworth earns almost all its profits in the second half, these figures do little more than give a shadowy outline of the way the new-look group is heading.

B&Q confirmed its position as one of the retail sector's stars, with profits up 37 per cent – and not just through opening new stores. Comet, on the other hand, earned no more in the six months than it did in half the time last year. If Comet's performance indicates Woolworth's skill in acquisition, shareholders may prefer the proceeds of May's rights issue to be spent on existing businesses.

The F. W. Woolworth stores managed to bring their losses down from £25m to £15m, pointing to the prospect of a small profit for the full year. Woolworth is still faced with the problem of how to make a halfway decent return on turnover of over a billion pounds in retailing.

Its tentative solution is to invest heavily in refurbishment, to focus the stores only on their successful ranges and to improve their merchandise. But even if Woolies does find a workable formula, there are still nearly 800 candidates for beautification. And the shares, unchanged yesterday at 480p, imply a prospective p/e in the mid-teens, a rating that seems to underestimate the size of the task.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	26	79	Dubrovnik	S	27	81	Malaga	S	26	79	Salzburg	S	24	75
Akrotiri	S	30	86	Faro	C	25	77	Malta	F	26	79	Seoul	C	22	72
Algiers	C	23	73	Florence	S	30	86	Manila	C	31	88	Singapore	C	32	90
Amsterdam	C	17	63	Frankfurt	F	22	72	Miami	C	29	84	Stockholm	F	14	57
Athens	S	30	86	Funchal	F	25	77	Milan	S	25	77	Strasbourg	S	24	75
Bahrain	S	37	99	Geneva	S	22	72	Moscow	R	11	52	Sydney	C	19	66
Bangkok	R	31	88	Gibraltar	F	25	77	Munich	S	22	72	Taipei	S	33	91
Barcelona	S	28	79	Guernsey	S	19	66	Nairobi	–	—	—	Tangier	S	28	82
Beirut	S	27	81	Helsinki	F	13	55	Naples	S	31	88	Tehran	—	—	—
Belgrade	S	25	77	H. Kong	C	27	81	New Delhi	C	28	82	Tel Aviv	F	28	82
Berlin	F	18	64	Innsbruck	S	23	73	New York	S	24	75	Tenerife	S	28	82
Biarritz	S	30	86	Inverness	S	14	57	Nice	S	25	77	Tokyo	C	22	72
Blackpool	F	18	64	Istanbul	S	23	73	Oporto	F	23	73	Toronto	C	24	75
Bordeaux	S	28	82	Jersey	S	20	68	Oslo	S	15	59	Tunis	S	25	77
Brussels	C	19	66	Jo'burg	F	19	66	Paris	F	22	72	Valencia	F	25	77
Budapest	S	23	73	Las Palmas	S	26	79	Prague	F	19	66	Venice	S	24	75
B. Aires	F	16	61	Lima	C	18	64	Reykjavik	R	5	41	Vienna	S	21	70
Cairo	S	30	86	Lisbon	S	25	77	Rio de J'o	C	36	97	Warsaw	F	15	59
Cape Town	F	18	64	Locarno	S	22	72	Rome	S	29	84	Zurich	S	22	72
Caracas	S	29	84	London	C	20	68								
Casablanca	F	25	77	Los Angeles	S	25	77								
Copenhagen	F	15	59	Luxembourg	F	20	68								
Corfu	S	29	84	Madrid	S	25	77								
Dublin	C	17	63	Majorca	S	28	82								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

EEC spending row

Continued from Page 1

Both Spain and Portugal had argued for extra spending to be included in the budget to ensure that they are not in deficit in their first year of membership. Officials expressed disappointment that nothing had been done to answer their case.

In the event, the figures allowed for the social and regional funds are less than the proposals submitted by the Commission for the 10 member-states, let alone for 12.

The only area where there was minimal disagreement was on the largest single item – the Ecu 21bn proposed for the Common Agricultural Policy to support farm prices. That figure includes a provision of Ecu 570m for the two new member-states, although in real terms the total will only rise by an equivalent 2.4 per cent compared with 1985.

The British budget rebate of Ecu 1.4bn was also approved without argument in line with the budget settlement reached at the Fontainebleau summit last year.

The whole budget is based on the assumption that all the member-states will ratify an increase in their contributions to Brussels, from the present 1 per cent value-added tax (VAT) ceiling to 1.4 per cent. The British contribution will remain below 1 per cent

JOBS COLUMN

Company chiefs' pay—the £221,000 question

BY MICHAEL DIXON

DOES IT PAY an ambitious executive better to seek a top job in a United States multinational's subsidiary rather than in a company owned elsewhere? The question is topical because of the controversy over the settlement made by Standard Telephones and Cables with its recently resigned chairman and chief executive Sir Kenneth Corfield.

His £221,000 basic salary—which the company is to go on paying him until he reaches normal retirement age next January—is thought by some STC shareholders to be too high. Moreover there are signs that the same view is shared by Lord Keith of Castleacre, who has temporarily taken over STC's top post.

Lord Keith told his shareholders the other day that one reason why Sir Kenneth receives so much is that his salary still reflects the pay policy of the U.S. multinational ITT, which until three years ago had the controlling interest in STC. The American group's policy was apparently to reward top people in its overseas subsidaries in line with the higher executive pay levels of its home land.

Is the same policy adopted by U.S. multinationals in general?

The answer is evidently yes, at least where the top two ranks in the subsidiaries are concerned. That information comes by courtesy of the British arm of the international management consultancy Towers, Perrin, Forster and Crosby, which today publishes its latest report on pay and benefits practices across the globe. It also happens to have been called in by STC to help to sort out the troubled company's executive rewards structure.

Although professionally barred from commenting on STC's case, the consultancy tells me that for the past half dozen years it has kept track on some 70 U.S. groups' subsidiaries in Britain.

In terms of total cash earnings—salary plus incentive bonuses and the like—those subsidiaries' chiefs have consistently been paid about a third more than their counterparts in companies not owned in America. Executives at the next rank down typically do better by 15 to 20 per cent. Below that there tends to be no significant difference.

The highest rankers in British companies are catching up a bit. The reason is that part of the gap is accounted for by the performance bonuses which US groups, unlike those owned elsewhere, have long been paying to their top people. Now British companies are increasingly following suit, some of the difference is disappearing.

But since the incentive payments never covered more than about 15 per cent of the gap, the American subsidiaries' chiefs are typically a good deal better off in terms of basic salary.

While Sir Kenneth Corfield might have been on less than £221,000 basic if it had not been for ITT's former ownership, his salary is nevertheless low by the standards of the U.S.-based chiefs of comparable American companies.

STC's turnover in its last full accounting year was £1.97bn, or at current exchange rates almost $2.65bn. According to the latest checks of the international Wyatt consultancy group, the average basic salary of U.S. chiefs of companies in the $1bn-$2bn turnover bracket is the equivalent of nearly £282,000. The average of those heading companies of more than $2bn annual sales is over £350,000.

I have been unable to obtain corresponding figures for the chiefs of comparable British companies. Concerns of STC's size are so few that reliable pay statistics for their chiefs cannot be calculated, says Peter Stevens of the Remuneration Economics consultancy.

In terms of total cash pay rather than just basic salary (Sir Kenneth Corfield's total in his last full year was £297,000) the rewards of heads of British groups around the £2bn turnover mark vary widely. Richard Giordano's last full year's total as chief of BOC was £771,600 for instance. Derek Palmar's, as head of Bass, was £112,162.

So it seems impossible to judge whether the former STC chairman's £221,000 basic is above the true going-rate for the top post in the British concern of comparable importance. The best answer, as Peter Stevens says, will be how much the company has to pay to bring in a new permanent chief to take over from Lord Keith.

THE GAP BETWEEN TOP OFFICE AND SHOPFLOOR

Country	Total cash rewards of typical chief executive £	Total cash rewards of shopfloor manufacturing worker £	Years of shopfloor work needed to equal chief's total
Australia	58,616	14,478	4.05
Sweden	58,616	14,478	4.05
Canada	90,300	18,098	4.99
Netherlands	74,458	13,473	5.53
West Germany	85,547	15,082	5.67
Italy	66,539	11,663	5.71
Belgium	82,379	14,076	5.85
France	72,874	11,261	6.47
United Kingdom	60,200	9,250	6.51
Switzerland	112,479	15,082	7.46
Japan	79,211	10,054	7.88
United States	158,421	20,109	7.88
Spain	60,200	7,441	8.09
Argentina	57,032	3,620	15.75
Singapore	76,042	3,821	19.90
Hong Kong	53,862	2,413	22.32
Mexico	76,042	2,614	29.09
Venezuela	82,379	2,614	31.51
Brazil	66,537	1,810	36.76

Before we leave the topic of international pay comparisons, readers might like to scan the table above which I have compiled from the Towers, Perrin, Forster and Crosby report. For each of the 19 countries the table takes the total cash rewards of a typical chief of a £75m-turnover company and compares them with the corresponding rewards of a typical manufacturing worker in the same land.

The right-hand column graphically illustrates the relative differences between richer and poorer in various nations. As you see, the time the shopfloor worker has to put in to match the total of the same country's chief ranges from 4.05 years in Australia and Sweden to the best part of a working lifetime in Brazil.

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★ Aged 26-30 with US bank credit training you must have at least 2 years' marketing experience, preferably dealing with the UK subsidiaries of US multinationals. Working within the corporate group you will be actively involved in a successful team marketing capital markets, treasury and traditional banking products to these subsidiaries. With full account responsibility you will be expected to utilise the full resources of the bank to service existing customers and develop new business.

Salary packages including banking benefits in each case are competitive and will be negotiated according to ability and experience. Those interested should contact Christopher Smith on 01-404 5751 or write to him, enclosing a comprehensive curriculum vitae, at 23 Southampton Place, London WC1A 2BP, quoting ref: 3547.

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Ref: 1347

Both positions are based in the West End and offer excellent career prospects together with competitive salaries and company benefits which include a company car, non contributory pension scheme, free life assurance cover, BUPA and profit sharing scheme. Please telephone or write quoting the relevant reference number in complete confidence to Barbara Lord, Senior Consultant, Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

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Please write in confidence giving full personal particulars and details of experience to: A. G. Beaumont, Group Management Development Department, Courtaulds PLC, PO Box 16, 345 Foleshill Road, Coventry CV6 5AE.

COURTAULDS

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Our client, a leading City based financial group, has a vacancy at a senior level, in the Investment Department. This vacancy provides the opportunity for applicants with fund management experience to join a small team responsible for the active management of both trading and long term international investment funds.

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Morgan Guaranty Ltd

CORPORATE LAWYER

International Capital Markets

Morgan Guaranty Ltd, the capital markets subsidiary of the Morgan Bank, is seeking a corporate lawyer to join its transaction execution team.

The person appointed is likely to be in his/her late twenties/early thirties and will have extensive experience gained in the commercial department of a leading London corporate practice and a real fluency in commercial law. The position offers wide exposure to the international capital markets which will include bond issues, swaps, loan syndications, euro-commercial paper and corporate finance generally.

Remuneration will include an attractive salary and benefits package including a company car, a profit sharing bonus, a mortgage subsidy, a non-contributory pension scheme, and medical and life insurance plans.

Write, with full career details or telephone for an initial discussion, in complete confidence, to: Peter J. Mills, Personnel Manager, Morgan Guaranty Ltd, P.O. Box 124, 30 Throgmorton Street, London EC2N 2NT. Telephone 01-600 7545 extn. 3212.

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Our client base is diverse. It includes banks – foreign, clearing and merchant – insurance companies, finance houses, building societies and City investment firms. A feature in common is their pursuit of new business strategies to secure competitive advantage in the fast-changing market for financial services, both retail and professional. Typically, PA is retained to search out the executive who will lead the client's new initiative: the work is demanding but provides our consultants with a unique perspective on the 'financial services revolution'.

Our aim is to appoint a self-motivated man or woman, aged 30-40, who has gained management recruitment experience in the sector, either in-house, as a line manager or personnel professional, or as a recruitment consultant. A university degree or equivalent qualification is required.

As the world's largest personnel consulting practice, operating in over 20 countries, we offer first-class career opportunities and the conditions of employment to match.

The starting compensation package, based on previous track record and experience, will be up to £35,000.

Please send a brief cv, in confidence, to Gary Gibbons, Group Manager, Banking and *Finance Group, or telephone him to make* any enquiries.

PA

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JUNIOR ANALYSTS

Required for City of London Investment concern to assist in comprehensive analysis of Companies for existing Sterling portfolio of Bonds and Equities. Applicants should have had two years' experience of this type of work. Remuneration package by arrangement. Applications with C.V. to Box No A.9124 Financial Times, 10 Cannon Street, London, EC4P 4BY

EUROBOND SALES

Leading International Bank is seeking a person to fill the No. 2 position within the Eurobond Sales area currently being established in its London Branch. Candidates should have approx. 2 years *broad experience within an active environment and be able* to demonstrate management potential. Whilst applicants will be expected to have knowledge of key participants in the market, an extensive client list is not needed. An attractive salary package is being offered.

MARKETING OFFICER

An experienced Marketing Officer is required by a leading International Bank to develop UK and European business with major corporations and correspondent banks. Candidates, aged 30-40, should have strong business development and communication skills together with leadership potential. The salary and benefits package will fully reflect the importance and *responsibilities of this position.*

CREDIT & MARKETING OFFICER

Well-established Bank, active in a wide range of Syndicated Loan and Capital Market facilities is seeking a person, probably 25-32, to *work in a Credit Marketing role within its UK Business Develop*ment area. Candidates should ideally have some exposure to the marketing role although the Bank will consider applications from candidates with a strong credit background.

MARKETING ASSISTANT

Our Client, a North American Bank with a rapidly expanding London presence, is seeking a person to assist the Manager of its Asia Pacific Group. The successful candidate will probably be late *20's, able to respond to the challenges of a growing area and have* well-developed credit skills plus some existing experience in a marketing support function which should ideally have included involvement in Trade Finance.

SENIOR FORWARD DEALER

This is a new, key appointment within the London Branch of a respected European Bank. Candidates should have five years dealing experience covering most major currencies and also have the ability to supervise junior staff. Whilst it is envisaged that the successful applicant will be aged late 20's, the Bank will place greater emphasis on experience and a candidate's potential to develop beyond this initial position in the near future.

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Major North American Bank is actively seeking several qualified ACA's to join its London based Global Auditing team. Successful candidates are likely to have approx. one years post-qualification *experience and will be required to spend up to 50% of their time* auditing overseas branches, principally in mainland Europe and South America. The Bank is able to offer structured career *progression opportunities and an attractive salary package.*

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Suitable applicants (aged 28-35) will be *graduate professionals* with at least 3 years' successful experience in managing international equity funds.

The position represents an excellent opportunity for personal and career development within an aggressive environment and offers a competitive salary and benefits package, which is negotiable for the right candidate.

In the first instance, please contact Felicity Hother on 01-588 6644 or write to her at the address below.

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For a confidential interview please write to

Mr. R. L. Mitchell, Managing Director
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GENERAL MANAGER (TRADING)

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The candidate, preferably around 40, will have to be a person with initiative and proven record of achievements and be able to bring new agencies. Applicants should be MBAs with at least 15 years of experience in marketing/trading, presently holding similar position.

Though the person selected will be based in London, the job involves extensive travel in Spain *and also in Europe and the Far East.*

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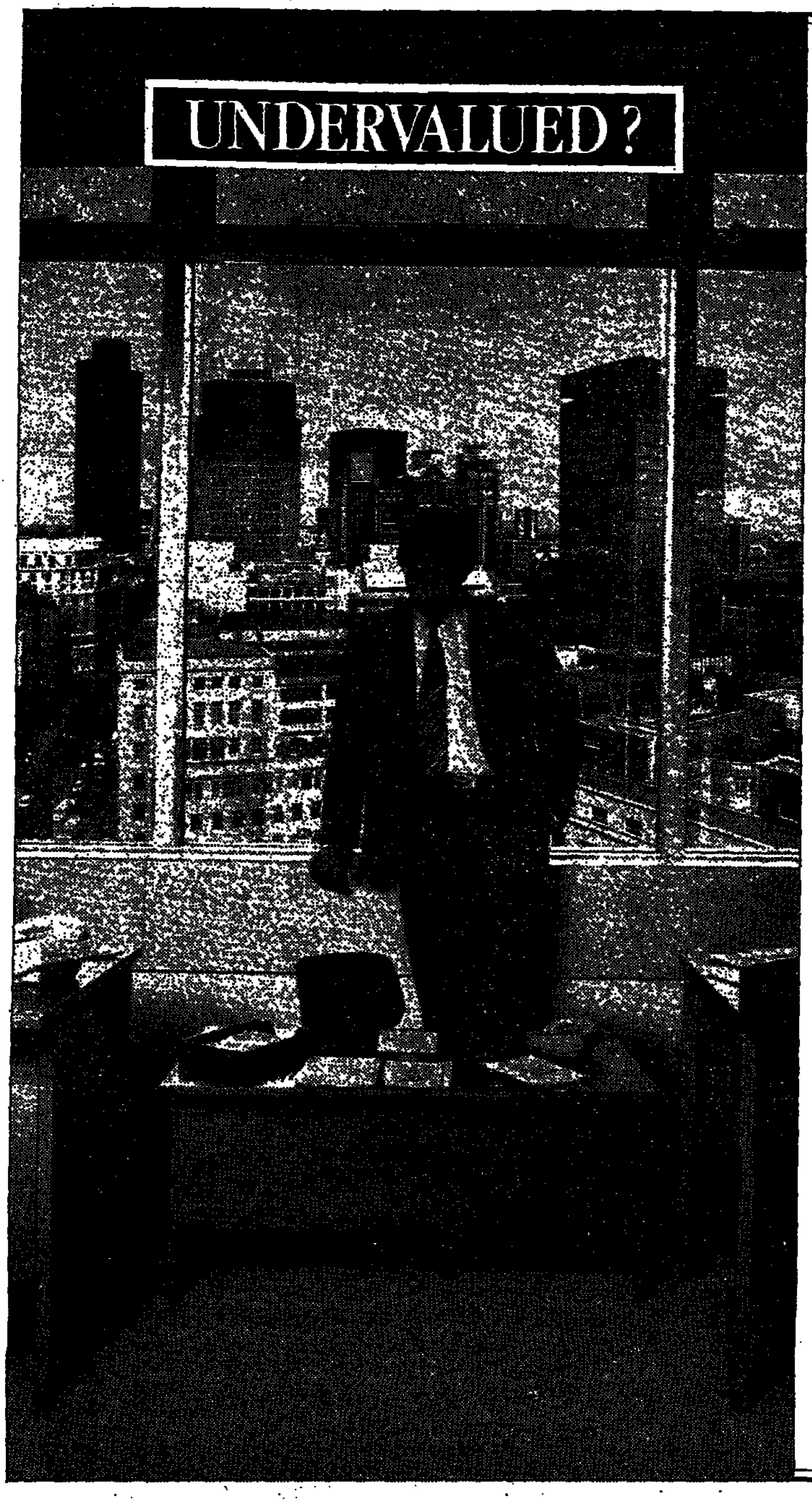

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International Department
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Finance and Administration Manager

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Financial Services

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Initial salary will be competitive and negotiable. Salaries are regularly reviewed with reference to performance and career development. Other benefits include a profit-related bonus, pension and life assurance schemes and relocation assistance, where appropriate, to the Edinburgh area.

Please send full career details, which will be forwarded to our client unopened quoting Ref: G/1893/FT. (Address to the Security Manager if listing companies to which it should not be sent.)

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PETROCONSULTANTS (UK) LIMITED
36 Upper Brook Street, London W1

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We are also seeking independent consultants to co-operate with Petroconsultants in its international consultancy work. If you have skills and experience in economic and technical aspects of oil and gas field developments, in any part of the world, please write, with a c.v., to:

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Applications in strict confidence for the above positions, quoting the appropriate reference, will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

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You will be a qualified accountant with some post qualification experience and be familiar with modern audit and systems techniques. You will have a tactful but firm personality and the ability to take balanced commercial views.

Success in this role should lead to further career opportunities in the UK and overseas.

Please send a detailed c.v., including contact telephone numbers, in strict confidence to George Cross, Management Appointments Limited (Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel: (01) 930 6314.

MAL
Management Appointments Limited

Head of Unit Trust Administration

Major Financial Services Group Portsmouth

Schroder Financial Management provides a comprehensive and integrated range of financial services to individuals, partnerships and private companies. The Group currently employs over 600 staff in over 20 locations in the United Kingdom.

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The requirement is for a senior manager with comprehensive knowledge of unit trust operations and procedures. Good communication and staff management skills are essential and familiarity with computerised systems would be of considerable advantage.

The position offers excellent prospects for further career development, and a comprehensive remuneration package which includes attractive basic salary, mortgage subsidy, non-contributory pension scheme, Company car, and full relocation expenses.

For further details please write to or telephone:

G M Keeley, Group Personnel Manager, Schroder Financial Management Limited, Enterprise House, Isambard Brunel Road, Portsmouth, Hampshire PO1 2AW. Telephone: (0705) 827733 Ext 335.

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The position will appeal to an individual who enjoys a large degree of autonomy and the opportunity to demonstrate his or her abilities.

The successful applicant is likely to be a graduate aged between 25 and 35 with previous investment experience preferably, but not necessarily, of the American markets.

The position offers excellent career opportunities with a salary up to £20,000 plus annual bonus, free lunches and a low cost mortgage after a qualifying period.

Please write with full personal and career details to

Miss K R Lewry, Personnel Manager
National Mutual Life Assurance Society
5 Bow Churchyard (off Cheapside)
London EC4M 9DH

or telephone Mr G H E Hill, Investment Manager for further details 01-236 1566

EUROBOND SYNDICATION U.S. INVESTMENT BANK

Career opportunity for young graduate or person with some banking experience to join the Eurobond Syndication department of a U.S. Investment Bank.

Candidate, preferably aged 22-28, should be self-motivated, literate and numerate.

Good salary and benefits.

Candidates should apply with curriculum vitae to:
Box A.9132, Financial Times
Bracken House, 10 Cannon Street, London EC4P 4BY

US Bank

Credit Analyst

To £16,000 + Benefits

We are acting on behalf of a prime New York Bank currently seeking to recruit a Credit Analyst, who will become a member of their credit team.

Candidates aged approximately 23-28 must have at least 2-3 years' experience and may have already received US bank credit training. The successful applicant will become involved in detailed analysis of major UK and other European corporations. Experience of the Oil and Gas industries or commodity finance would be a particular advantage.

This position includes some exposure to the Bank's clients and this aspect of the work will increase with the achievements of the successful candidate, giving an excellent opportunity for career progression.

In the first instance please contact Andrew Stewart on 01-404 5751 or write to him enclosing a comprehensive curriculum vitae, at 23 Southampton Place, London WC1A 2BP, quoting ref. 3546.

MP
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Sales Executive

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We are a European subsidiary of ***CISI-Wharton International***, formed from Wharton Econometrics – the world renowned economic forecasting group founded by Nobel Prize winner Prof. Lawrence Klein – and CISI, Europe's largest information and computer services organisation.

We are now rapidly expanding our base of clients for economic forecasting and consulting services, which include many exciting technological innovations in micro applications and data delivery from on-line data-bases. Quite a force in the age of information technology, which is where you come in..

YOU: A brief description

On graduating, preferably in economics, your early background should have been in economics or a related field, but broad-based analytical experience in finance, industry or government could be equally valuable.

Now 25 to 33 years old, you have had a successful career to date, in which you have developed good personal and communication skills, and the ability to get your ideas accepted by senior management. If these can be combined with direct sales experience, so much the better. Above all, you'd like a highly active role in an environment where drive and entrepreneurial flair are both expected and rewarded. Small enough for you to stamp your own style, big enough to offer long term career opportunities.

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So

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Phone or write to our Advising Consultant, David Lloyd, quoting Ref: CM031.

Lloyd Chapman Associates
International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670.

Mid-twenties?
Hungry for Swaps?

ASSISTANT MANAGER

Capital Markets

c.£20,000+ Benefits

The City-based UK subsidiary of a well-known international Finance and Investment Organisation continues to expand rapidly and a new requirement has just been identified for an ASSISTANT MANAGER to be attached to the Corporate Finance Department.

Reporting to the Associate Director — Capital Markets, your fundamental responsibilities will be to provide support equally on Swap business as well as use your ability to assist in new product development, including merger and acquisition opportunities.

Aged in your mid-twenties, you must have spent at least two years with a Merchant Bank's Syndications/Corporate Finance Department or an equivalent financial institution which has had dealings in the Capital Markets area. Confident, alert and team-orientated you will welcome this opportunity to join a new and enthusiastic Department which has already achieved a very enviable reputation in the Market.

The salary package is negotiable, as indicated and other normal banking benefits include Pension/Life Assurance, Private Health Scheme, Mortgage Subsidy, Personal Loan facility, etc. Future career prospects are simply superb.

If you feel you have the relevant experience my client seeks, then ring or preferably write (in total confidence) to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London, W1R 5FA. Tel: 01-439 6288.

Sowerby's Selection

PRODUCT DEVELOPMENT

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Our client, the Investment Banking Division of a major European Banking Institution, is currently looking to expand its presence in the EuroMarkets.

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Outstanding financial rewards and rapid career progression can be expected for the right ambitious individual.

For further details please telephone or write in confidence quoting Ref SM500 to:

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This appointment offers a unique and exciting opportunity to contribute from the outset towards the development of the Investment Management side of a newly formed Financial Services Company based in Amsterdam.

The vacancy calls for a salesman to service private clients both in the Netherlands and the Benelux. Candidates are not likely to be more than 35 and should combine the ability to sell ideas with an understanding of the UK equity market. Several years' experience with a Stockbroker or Licensed Dealer is preferred. The continuation of an established business is not a problem and languages are not necessary.

Write Box A.9126, Financial Times
10 Cannon Street, London EC4P 4BY

Selection Consultants

Two additional consultants are required by the Selection Company of a major organisation in the recruitment market place. The Company is committed to fast growth and is only interested in men or women who can confirm their achievement of realistic business targets through their own sales efforts without undermining personal and professional standards.

Your recent experience must have been obtained in a selection consultancy and encompassed the City, Finance or General Management areas.

Please apply, in the first instance, to The Confidential Reply Manager, Ref 844, T.G. Scott & Sons Limited, 30/32, Southampton Street, London WC2E 7HR.

Applications will be forwarded to our client direct and treated in the strictest confidence, therefore companies in which you are not interested should be listed separately.

ACCOUNTING AND INTERNAL CONTROL

Major American Bank in the City seeks a qualified or fully experienced accountant with ability to control and supervise daily accounting function, including statutory reports, taxation, management reporting, internal audit responsibilities with bias towards review of existing and new DP programs and security controls.

Thorough knowledge of IBM hardware and foreign exchange multi currency accounting methods preferred.

Salary and usual bank benefits negotiable.

Write with full cv to Box A9133
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TWO EUROBOND DEALERS

c. £50,000 and £20,000

Our client is a highly respected Merchant Bank with a worldwide branch network. They are seeking an experienced dealer to become the No. 2 in a dynamic Eurobonds team. We also require a junior dealer with at least a year's experience. For both positions the emphasis in selection will be on track record rather than time served. Rewards and prospects will be excellent.

ASSISTANT MANAGER EUROBOND SETTLEMENTS

TO £18,000 + BONUS

Our client, a major City Merchant Bank, seeks the services of an experienced settlements administrator. The successful candidate will probably be in the 25-35 age range and will combine a thorough knowledge of settlement procedures with sound management skills and the ability to respond innovatively to the needs of a rapidly growing and forward-looking company. Starting salary will be accompanied by a full range of banking benefits and career development will be excellent and well-defined.

Interested candidates should contact

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JAC

ACCOUNT OFFICER £16,000

This well known Merchant Bank requires an ambitious graduate banker with a minimum of one year's U.K. marketing experience to join their expanding team.

You will be expected to research and assess new business and market to Financial Directors of multinational companies. Age 24/28 with 18 months credit analysis exposure.

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Expanding European Bank are looking for an experienced credit analyst to research and assess new corporate loan applications. Liaising closely with potential clients from the secondary market, you will have the chance to train as a marketing officer in your second year. Formal credit training is preferred. You should be a graduate, aged between 25/20.

FOR FURTHER DETAILS PLEASE CALL
MIKE BLUNDELL JONES ON 01-236 1113 (24 HOURS)

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CANADIAN IMPERIAL BANK GROUP

Corporate Relationship Managers

Senior Credit Analysts

We seek to recruit a number of highly motivated and ambitious university graduates (preferably also holding a recognised legal, accounting or banking qualification), to join one of the most dynamic corporate banking teams in London.

Specifically we require Corporate Relationship Managers and Senior Credit Analysts with the emphasis for those positions being on lending and capital market products. The ideal candidates will have significant credit analysis, facility structuring and documentation experience. For the Relationship Manager position they will already have corporate relationship responsibilities, while for the Senior Credit Analyst positions the ideal candidate will be seeking to assume such responsibilities within a short period of time. Successful applicants will be expected to play a highly significant role in the development of the Bank's expanding UK operations. The positions will appeal to those who are not afraid of hard work and long hours.

If you think you meet these requirements, we would like to hear from you. Please send your C.V. to:-

**Mrs. E. J. Price, Personnel Officer,
Canadian Imperial Bank Group,
55 Bishopsgate, London EC2N 3NN.**

SWISS VOLKSBANK

CAPITAL MARKETS

ACCOUNTANT

We have been retained by the London Branch — (Licensed Deposit Taker) of this leading Swiss Bank to assist in the recruitment of a highly experienced person who is currently engaged in the accounting function of a broadly based and active eurobond and securities dealing environment.

Reporting to the Chief Accountant, this person will be responsible for the proper accounting and profit and loss calculations of all the capital market activity which will also include portfolio investments.

In this first instance, Candidates for this demanding and responsible position should apply to:

BRIAN DURHAM
BRIAN DURHAM RECRUITMENT SERVICES
25, LIVERPOOL STREET, LONDON, E.C.2.
TEL: (01) 621 1666

INTERNATIONAL EQUITIES

A prestigious London based international investment bank has committed to expand its international equity activity and wishes to discuss this opportunity with a highly qualified institutional sales person to head up this area.

The individual we are seeking should be well known to both U.K. and U.S. institutional investors. Fluency in French and another European language is desirable.

Apply in confidence to: Box A9122, Financial Times, 10 Cannon Street, London EC4P 4BY.

TRUST MANAGER

required for international trust company in
NASSAU, BAHAMAS

Candidates should have an accounting/legal/banking qualification.
Fluency in French and/or Spanish an advantage.
Attractive salary tax free in Bahamas.

Replies please to
Managing Director
NEW WORLD TRUSTEE SERVICES (UK) LIMITED
10/11 Park Place, London SW1A 1LT
Telephone 01-408 2007

International Appointments

Assistant Company Secretary

Abu Dhabi Gas Liquefaction company (ADGAS) employs a multi-national workforce engaged in the production, shipment and sale of liquefied gas. The company now wishes to recruit an Assistant Company Secretary, who will be located at Head Office in Abu Dhabi and will report to the Deputy General Manager.

Duties are to assist the general management in corporate secretarial matters, communications with shareholders as the assistant secretary to the Board advisory committee and Board of Directors, and legal matters generally. The range of work is broad based and will necessitate considerable high level contact/liaison.

Candidates preferably aged between 30-40 should be University graduates, ACIS or equivalent, who have at least eight years' relevant experience. Middle East working experience is desirable, whilst a knowledge of Arabic and experience in the petrochemical industry would be advantageous.

Applications from Arab nationals who are fluent in English and with above experience will be particularly welcome.

An initial two year married status contract is offered and terms will be as per company's policy.

Please write or telephone for an application form or send full CV to **A.E.N. Buckley**, at the address below, quoting **reference AA52/9529/FT.** Candidate details may be passed direct to ADGAS.

PA

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**6 Highfield Road, Edgbaston, Birmingham B15 3DJ
Tel: 021-454 5791**

Manager Financial Training

£30,000 to £40,000 after tax plus substantial benefits

The HongkongBank Group, with its subsidiaries and associates, ranks among the twenty largest of the world's banking groups. With more than 1100 offices in 55 countries, and staff of around 45,000, it has assets in excess of £50 billion.

This is a new appointment to place greater emphasis on financial training, particularly lending, and to up-grade generally the professionalism of the financial training programmes. Based in Hong Kong and supported by a small professional training staff, there is additionally the facility of a new purpose-built residential Management Training Centre.

Candidates, preferably aged 35 to 45, should be graduates with a relevant professional qualification in banking and lenders with a proven track record in corporate credit. Lecturing, training or management education experience would be advantageous.

Salary as indicated with usual expatriate benefits including free furnished accommodation, education allowance and six weeks' paid home leave. Promotion to line management is strongly envisaged for candidates with career ambitions.

Please write stating how the requirements are met to Lionel Koppen ref B.1013.
HAY-MSL Personnel,
52 Grosvenor Gardens,
London SW1W 0AW.

HongkongBank
The Hongkong and Shanghai Banking Corporation

INDONESIA

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to U.S. $40,000 TAX FREE

Ernst & Whinney's Far Eastern practice continues its vigorous growth. Currently a feature is the dramatic development of the Jakarta Operation.

In consequence we can offer an unusually interesting and challenging post in audit management to a qualified accountant with upwards of two years relevant post qualification experience that ideally would include some exposure to practical tax.

Responsible for a demanding portfolio of clients who are both international and local, you will need a sound technical knowledge, a keen sense of business awareness and people skills that are both sensitive and diplomatic.

Initial contract will be for 2 years, but for those demonstrating the necessary progress and commitment, career prospects within the region as a whole will be excellent.

Please write initially with full C.V. to Barry Compton.

E&W Ernst & Whinney
Accountants, Advisers, Consultants.
Becket House, 1 Lambeth Palace Road, London SE1 7EU. Tel: 01-928 2000.

FINANCIAL WRITERS

Business Day, South Africa's new national financial daily newspaper, requires a bright young economics writer and an investment analyst to work in Johannesburg.

Applicants must be self-motivating and have appropriate qualifications/experience.

The positions offered are with a newspaper of growing influence and authority that is widely quoted in South Africa and abroad and serves a financially sophisticated business community.

Apply immediately to: Editor's Secretary, South African Morning Newspapers, 135, Fleet Street, London EC4P 4BL.

Please include contactable telephone number for possible interview on October 2.

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

RATE £37.00 per single column centimetre plus V.A.T.

An international organization which operates a worldwide, computer-based system for processing international financial transactions wishes to recruit an

Interface Product Analyst

(m/f - ref. FT 131)

He or she will apply established company policy to analyze requirements and to propose new interface and related application products for installation in user premises. Reporting directly to the Head of interfaces in the Product Planning Division, the Analyst will be responsible for all stages of each project, including identification of market requirements, functional specification of new products, establishing prices, estimating product development costs, drawing up business plans and preparing product presentations.

This is a challenging and demanding position, involving extensive travel. The successful candidate will be a university graduate combining fluency in English with a real flair for personal contact and communication. Sound analytical and managerial skills are a necessity and previous experience in banking would be a devinite asset. A background in computers is not essential, as there will be an initial period of familiarization with interface products marketed by the company and its competitors.

If the challenge of this opportunity appeals to you, please send a detailed curriculum vitæ and photo to:

Jerry RUBIN, Personnel Consultant,
chaussée de La Hulpe 185
1170 Brussels.

All applications will be handled with absolute discretion and all applicants will receive a reply.

137/45

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide.

Tel: 01-351 7151

ACCOUNTING AND FINANCIAL MANAGER

THE COMPANY: Accountants and business managers specialised in providing a full range of corporate services to Continental European subsidiaries or overseas corporations with offices in Brussels, Duesseldorf, Luxembourg and Paris.

THE APPOINTMENT: Responsible for management of a portfolio of clients including supervision of accounting staff and liasing with clients in major world centres.

THE CANDIDATE:

—Chartered accountant
—Age: 28-35
—Minimum of 5 years' experience
—Proficiency in either German (preferably) or French
—Experience in Continental Europe an advantage
—Located in Brussels with frequent travel
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—Possibility of a partnership in 2 to 4 years.

Please send a comprehensive c.v. including salary history and recent photograph to:

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*Please reply in strict confidence to Box A9121
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with resumé and photograph*

Accountancy Appointments

SYSTEMS & SPECIAL PROJECT ACCOUNTANT

Rural Hampshire **Package c£18K**

The TSB Trust Company is the insurance and investment arm of the TSB Group. We are one of those rare companies which can boast a consistent record of expansion and success over the last 15 years. Rarer still, we have detailed plans for even more expansion for several years to come.

This is an excellent opportunity to join our recently formed special projects team and to manage significant projects for presentation at Divisional and Board level, all aimed at making our accounting systems more efficient and effective.

Besides general project work, you will be responsible for developing accounting systems to maintain the highest standards of financial control and reporting. You will also monitor and contribute to Company strategy in relation to new system requirements.

The successful candidate, probably aged late 20's to early 30's will be a qualified accountant with substantial knowledge of large scale computer based systems. The broad base of expertise required to fulfill the position is unlikely to be seen in candidates with less than 2 years' post qualification experience.

As well as excellent career prospects, there is a salary package of c. £18k which includes mortgage subsidy. Additional benefits include a non-contributory pension scheme, Christmas Bonus, profit sharing, BUPA, flexible working hours and relocation assistance where appropriate.

If you feel you can meet the requirements of this demanding role, ask for an application form from Bill Brewer, Assistant Manager-Personnel, TSB Trust Company Limited, Keens House, Andover, Hants. SP10 1PG. Telephone: Andover (0264) 51045.

TSB TRUST COMPANY

Financial Director

Hi-tech public group **up to £35,000 plus car**

This hi-tech public group is based West of London and has a significant international network of subsidiary companies throughout the world. The group has a successful record, is well known and respected and has a prestigious range of customers for its specialised products.

Reporting to the Chief Operations Director, the Financial Director will be responsible for the financial affairs of the group. This will entail managing the small finance group and treasury departments, monitoring the financial performance of group subsidiaries, highlighting key issues and developing appropriate financial strategies.

A qualified accountant aged 35 to 40 is required, able to clearly demonstrate a successful record in a senior financial role, preferably within a public group. Experience of a high technology industrial company is also sought coupled with a bright, energetic manner and strong technical skills.

Please reply in confidence, enclosing career details and quoting reference 3018, to C. T. Garcia, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Commercially astute Financial Controller

London W1
c.£17,000 + Saab 900 GLS

This recently-created British subsidiary of an international trading group imports a range of casual wear from Europe and markets it throughout the UK.

A young and ambitious qualified accountant is needed to join a dynamic management team and play a vital role in the company's ongoing growth and development.

Reporting to the Managing Director and working closely with the European parent company, you will be responsible for all financial/management accounting and administrative functions. The development of computerised systems is an important early task.

The company is growing very rapidly in a highly competitive environment and needs someone with strong commercial flair, who has a flexible approach and is prepared to lead by example to meet deadlines.

Success here will lead to significant career development. The negotiable salary is supported by a range of benefits.

Please send full cv which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.) Ref: R2062/FT.

PA

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

QANTAS Head of Finance

UK + Ireland

W. London **c£20k + attractive benefits package**

The role is exciting and the challenge significant within this leading international airline.

A radical reappraisal of the business operation and marketing strategy has resulted in a reorganised and revitalised UK management team. A key player in this team is the Head of Finance.

Giving an organisation direction in financial management matters, team building and getting alongside managers requires vision, resourcefulness and charisma, in addition to sound professional skills. This is not a straightforward, 'number crunching' role.

You should be a qualified, commercially aware accountant, with a sound track record, not necessarily gained in the airline industry. Very important are the personal qualities to establish quickly your credibility as a leading member of the management team. A knowledge of computer applications would be useful. Age indicator is late 20's to 40.

This position offers an excellent career opportunity to be involved in business management in its broadest sense within a young professional management team.

The package is attractive too and includes travel concessions, BUPA, relocation expenses, if appropriate, and other benefits to be discussed.

Applicants interested in this challenging opportunity should write – in confidence – with details, including current salary, to Phil Bainbridge ref. B.35004.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

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MANAGEMENT SELECTION

Financial Controller

Salary to £20k plus car **South East London**

Our client is a well established and internationally renowned organisation operating in the service sector (insurance, financial, leisure etc). Turnover which is now in the order of £70m is showing a steady increase and will continue to do so particularly through new business opportunities.

We are seeking a Financial Controller, reporting to the Financial Director, to join a senior management team which is currently undergoing significant change following the recent appointment of a new Chief Executive. The person appointed will be responsible for ensuring that colleagues in management are provided with the necessary financial and business information on a regular and timely basis to enable effective control of the business.

Candidates should be educated to degree level and be fully qualified accountants. Experience in financial planning and analysis in a related business is essential; experience in corporate planning and takeovers would be desirable.

The job is likely to appeal to those men or women with around five years' post qualification experience looking for their first managerial role, yet able to demonstrate the ability to operate at Board level.

Salary will be negotiable up to £20,000 and benefits will include private medical insurance and a company car. Relocation costs, if appropriate, would be met.

In the first instance please send a brief cv to Max Emmons, CRS 400, Lockyer, Bradshaw & Wilson Ltd., 39/41 Parker Street, London WC2B 5LH indicating if there is any organisation to whom you would *not* want it referred.

LBW

LOCKYER, BRADSHAW & WILSON LIMITED

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FINANCE MANAGER

Due to an impressive record of growth and development, our client, a major British consumer electronics company, requires a Group Finance Manager. Working closely with the Finance Director responsibilities will include international treasury, group forecasts, budgets and consolidations. Candidates for this highly visible role will be qualified accountants aged 26-33 with excellent communication skills, and the ability to develop in a rapidly expanding environment. Ref: SW.

ESSEX **£20,000 + Car**

GROWTH

A rare career opportunity within a diverse, rapidly expanding UK group. Initially working at the centre, the Management Accountant will be responsible for assessing business performance, budget preparation and the review, consolidation and reporting of monthly management accounts. This key appointment offers considerable commercial involvement and a direct route to a number one finance role with an operating company. Would suit an exceptional accountant aged under 30. Ref: JG.

C. LONDON **£19,000 + Car**

CAREER ROUTE

A challenging Head Office role within this 'blue chip' industrial group. Responsible for the analysis of business results, the Deputy Finance Manager will be involved in investigating trends and variances, budget preparation, forecasts, investment appraisal and various cost saving exercises. This high profile role offers exposure to the board and prospects to line management. An excellent career opportunity for a young, ambitious accountant. Ref: JG.

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c.£16,000 + bonus + generous relocation

A critical management role guiding the growth in take home sales

Schweppes, the UK's leader in soft drinks, has a significant presence in the 'Take Home' sector of this market. That's why we need a senior professional to fill this important and challenging management accounting role.

This key individual will evaluate our marketing and sales strategies, prepare detailed financial forecasts, review strategies on shelf pricing, promotions, sales volume and marketing expenditure, plus evaluating investment proposals and new product launches, highlighting cash flow and profit implications.

This role will directly influence Schweppes marketing policies, product portfolios, sales and promotion strategies and operational procedures. We are looking for someone with broad based experience in corporate finance and computer based systems. A professional who can confidently communicate and ensure sound financial views are presented to the 'Take Home' team of managers.

If you can rise to this demanding challenge then we will offer a salary of c. £16,000 + bonus and a generous relocation package to the St. Albans area.

Please write or telephone for an application form to: Dawn Swarbrick, Management Recruitment Officer, Schweppes Ltd., Schweppes House, Grosvenor Road, St Albans, Herts. Tel: St Albans 59242 ext. 3515.

Schweppes

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FINANCIAL CONTROLLER

Midlands **c £20,000 + car**

The Group operates in the service sector, where it enjoys an outstanding reputation.

Remarkable recent expansion has led to the need to appoint a Financial Controller, who will report to the Group Financial Director. Responsibilities will call for broad management experience in all aspects of the finance function, including treasury and taxation. Familiarity with sophisticated computerised systems is essential, while a knowledge of company secretarial practice and of contracts is desirable. An accounting qualification is essential and likely age is around 30.

Salary is negotiable around £20,000 plus car and an excellent benefits package which includes a particularly attractive pension scheme. Further promotion prospects, perhaps to Financial Director of an operating subsidiary, are excellent.

If that sounds interesting, please send full career details to:

Vincent Lyddieth

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ Telephone: 021-705 7399 or 021-704 2851

Inter-Selection

Financial Director (Designate)

City of London **Salary c£40,000**

Our client is a major Lloyds Insurance Broker based in the City operating on a worldwide basis through subsidiary and associated companies. Staff employed number in excess of 1700.

The position will entail working closely with the current Finance Director prior to his retirement, maintaining overall control of all financial matters and participating effectively in the general management of the Group.

The successful candidate, qualified, will ideally be aged 35-45 and will have gained extensive experience in an international operation, probably within the financial services field. The ability to manage and motivate a department of 70 staff and a sound working knowledge of computerised systems is essential, as is the ability to advise the board on all relevant financial dealings.

In addition to the negotiable salary the position also carries a comprehensive package of fringe benefits including a quality motor car.

Apply in strictest confidence to:-

Tony Normile, Managing Director, Inter-Selection Insurance Recruitment (Southern) Ltd, 14 Trinity Square, London EC3N 4AA. Tel: 01-480 7220

ISI

International Financial Director

c£27,000 + Car **Thames Valley**

Our clients are a world-leading company in the field of advanced minicomputers; setting new standards in the design and manufacture of real-time computer technology for a wide range of customers, including major financial and scientific institutions.

They now seek a Financial Director to be based at their industrial headquarters, to assume overall responsibility for all financial accounting and analysis, order-processing and administration activities within the company's European Structure.

Applicants should have attained a recognised accounting qualification, backed by at least five years' professional experience, gained preferably within a multinational, high-technology environment. This is an uncommonly diversified opportunity, involving senior-level decision making across wide areas of company activity throughout Europe, and to possess the depth of experience necessary, it is expected that applicants will be aged in their mid 30's.

In addition to a generous, negotiable salary plus car, you can expect a full range of benefits, including a non-contributory pension scheme, free life assurance and free BUPA. Please write, enclosing full CV and details of any company to whom you do not wish your application to be forwarded, to: Mark Cartmel, Riley Advertising (Southern) Limited, Old Court House, Old Court Place, Kensington, London W8 4PD.
Please quote Ref: FT/900.

Riley

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ASSISTANT COST & MANAGEMENT ACCOUNTANT

A medium-sized, expanding engineering company manufacturing a range of products for the paper-making industry require an enthusiastic, part-qualified accountant (ACMA, ACCA) to assist in the preparation of management accounts and to maintain and develop the product costing system. Salary will be appropriate to this appointment.

Reply with c.v. to: A. W. Hawes, Commercial Director, Vickerys Limited, 53 Norman Road, Greenwich, London SE10 9QJ. Tel: 01-858 5111.

Accountancy Appointments

P.A.

to

Senior Partner

required for Wallington (Surrey) practice. Would suit qualified or near-qualified accountant.

Partnership prospects after probationary period. Commencing salary depending upon qualifications and experience but should not be less than £12,500.

Please supply c.v. to:

Box A9128
Financial Times
10 Cannon Street
London EC4P 4BY

EMA

Group Financial Controller

C. London

£27,000 + Car + Share Options

Our client is a very successful public group capitalised at some £50 million involved in the development of high-class commercial properties. The success of their operation is reflected by their rapid growth in property investment, turnover and profits, which, in turn, has created the demand for greater sophistication in the financial and management information systems.

Reporting to the Joint M.D. – Finance, the appointee will be responsible for the whole of the finance function of the parent company and its subsidiaries. However, the right person will also have the opportunity to work closely with the M.D. on the Treasury aspects of the group involving high-level finance negotiation with City institutions.

This is an unusual opportunity to work within a fast-moving, entrepreneurial group which has exciting plans for organic growth and diversification through acquisition.

Applicants are invited from qualified accountants, aged 28-35, who combine strong technical accounting skills with excellent personal qualities. Ideally, the successful candidate will have gained experience within a large practice and in commerce.

Please write, enclosing a career history and day-time telephone number to Richard Norman, FCA, quoting reference 1/2320.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

Would financial institutions seek your advice?

The financial services revolution is here.

Powerful conglomerates are emerging to combat aggressive competition from new and unexpected sources. The traditional barriers are crumbling, and tough decisions must be faced as technology forces the pace of change.

High quality, impartial advice is a vital commodity in such fast moving markets. As a member of our successful Financial Management Group, your ability to provide it would soon be tested.

You'll work with senior management in all types of financial institutions on a wide variety of assignments. One month you may be advising on dealing risks and controls, the next on management information or treasury.

This is an opportunity to develop your technical and management skills whilst relishing the autonomy that you'll be given. We need graduate Accountants aged 25-32, with experience of financial institutions gained in a major accountancy firm or in the financial services sector, who are ready to face tomorrow's challenges today. Your personal skills, enthusiasm and intellect must be outstanding.

We offer a starting salary of £20-30,000 plus a car and other benefits, tailored training, and promotion based solely on merit.

If you're excited by the latest developments in the financial services sector, and meet our criteria, why not send your c.v. (including a daytime telephone number) to Martin Manning, quoting reference 1520/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Corporate Head of Internal Audit

Greater London/c£32,000+car

The worldwide nature and scope of our client's business creates a highly challenging role for their Internal Audit function. To lead this department at the corporate level, they require an exceptional accountant with proven managerial skills.

Supported by a department of some 40 staff, the job holder will report to the Group Financial Director and will be charged with ensuring that the function makes a positive contribution to business efficiency and profitability. The focus is therefore much more on operational review than on acting as a "chief inspector".

The successful candidate is likely to be aged between 35 and 45 with a significant track record in internal audit within a major international company. The stature and maturity necessary to represent the function to senior management will be essential and a facility in French and/or Spanish would be a positive advantage. Experience with sophisticated computerised systems will be a prerequisite.

The company's determination that this appointment should be made at a senior level will be reflected in the remuneration package. In addition, with the anticipated significant growth of this major public company, career development opportunities could well emerge for the successful candidate.

To apply, please write with a full CV to Gavin Adam, Executive Selection Division, Price Waterhouse, Southwark Towers, 32 London Bridge, London SE1 9SY. Please quote reference MCS/4018.

Price Waterhouse
Business Needs Experts.

Operations Controller

Surrey — **c.£21,000 plus car**

Our client is one of the world's leading manufacturers of high technology products within the aerospace industry. The company is at the forefront of innovative technology and its success in the world market is reflected in an impressive growth record both in terms of turnover and proficability.

As a result of this growth the company now seeks a Senior Executive based at its head office to assume responsibility for the evaluation and analysis of the financial performance of divisions and operating units throughout the United Kingdom.

The successful candidate will be a qualified accountant likely to have at least 3 years' experience within a major industrial corporation. He/she will possess high communication skills as the position will require regular liaison with Senior Management at both the divisional and company level.

An attractive remuneration package including a fully expensed company car will be offered together with excellent career prospects.

Interested candidates should write to Nick Baker, FCA, Executive Division, enclosing a comprehensive Curriculum Vitae quoting reference 278, at
31 Southampton Row,
London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Financial Controller

N W London — **£22,000 + car**

This company which offers consulting services to the oil industry is about to undertake a period of planned expansion both in this country and overseas as part of an international group. Turnover in the UK is well over £1 million, and is increasing rapidly.

They are now seeking a qualified accountant to strengthen the management team internationally and in the UK. The Financial Controller's functions will be twofold. Firstly working closely with the Chairman of the international group on developing the group's strategic plans, and monitoring the performance of all companies. Secondly to be Financial Controller of the UK company, with total responsibility for all financial and management accounting.

Applicants should be qualified accountants in their late twenties or early thirties with an appetite for hard work, and the ability to relate to people and explain financial ideas to non-accountants. They should be willing to spend about one third of their time visiting overseas subsidiaries. Experience in implementing accounting systems on micro computers is desirable.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2313 to W.L. Tait, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

CONTROL ACCOUNTANT

FOR PROFESSIONAL PRACTICE

We are looking for a Chartered Accountant to take charge of all the financial and administrative controls of our practice of Chartered Accountants thus releasing the seven Partners for the tasks for which they are primarily qualified.

The applicant, aged 45-55, will ideally have had experience of working in a professional partnership and will also be conversant with computers and word processors. Not only will the applicant be able to produce meaningful management information, financial statements, cash flows, budgets and exercise credit control but being possessed of firm personality will handle partners and staff with diplomacy and tact.

Location is at pleasant offices in a North Surrey town.

Salary around £20,000 plus car

Write with c.v. to Box A.9127, Financial Times
10 Cannon Street, London EC4P 4BY

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Company Financial Accountant

Young Graduate with Senior Management Potential
Yorkshire, c£15,000 + Company Car

The client is the major subsidiary of a large International Manufacturing Group, which is a leader in its field. This autonomous profitable subsidiary, having an annual turnover of approximately £70m, requires an ACA aged 27–35, to manage, control and develop the Financial Accounting area. This post will appeal to a graduate who qualified with a major practice, and has experience in large manufacturing, process or engineering companies.

Reporting to the Finance Director, responsibilities will include maintenance of cash recording, sales and purchase ledgers. Management of 20 staff, systems development, credit control, foreign currency and cash forecasting.

There are excellent career opportunities, hence the need for a high-flyer, capable of bigger things. The benefits include those normally associated with a major group.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to P.A. Adderley, **Hoggett Bowers plc**, *7 Lisbon Square*, **LEEDS**, *LS1 4LZ*, **0532 448661**, quoting *Ref: 11644/FT*.

Financial Director

London — c.£30,000 + Car

The Client: part of a substantial electronics group, this company has a profitable nine-figure turnover – generated through the consumer and business markets – and successfully pursues an entrepreneurial policy of which expansion, often through judicious diversification, is a key feature.

The Position: whilst management of the accounting functions will be important, the role has a considerable strategic dimension: in the provision of a financial perspective on the development of the business as a whole and, particularly, in the identification and evaluation of prospective acquisitions and new ventures.

The Candidates: must be qualified accountants with experience at senior level in a large marketing-oriented company; graduates are preferred. A sympathetic understanding of other business disciplines is essential, as are personal 'presence' and good communication skills. The ideal age-range spans 35 to 45.

Applications, please, quoting Ref. 191/1/FT, to S. C. Mackay, Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1142.

CHARLES BARKER
SELECTION·SEARCH·ADVERTISING

Appointments Wanted

GRADUATE CHARTERED ACCOUNTANT

late 30s, 12 years' experience with City merchant bank, seeks financial position based in Northern or Western Home Counties or London at minimum £25,000 plus car.

Full c.v. etc. from
Box A.9125, Financial Times
10 Cannon Street, London EC4P 4BY

Chartered Accountant
33

seeks position within small progressive company for real involvement.

Write Box A9123
Financial Times
10 Cannon Street
London EC4P 4BY

FINANCE DIRECTOR

Horsham, W Sussex

- **DISCTEC** Ltd is a new company formed, with **substantial institutional backing**, to exploit the **compact disc market**. The Managing Director has already grown a successful company in the record manufacturing industry. The Board now wishes to appoint a Finance Director for **DISCTEC**.
- The successful candidate will be a qualified accountant (probably chartered) with experience of **high-tech manufacturing industry** coupled with **exposure to the City**. He or she will have a marked degree of integrity and sound commercial judgement backed by the imaginative flair needed in a fast-growing new company. *Age probably late-30s.*
- *Salary unlikely to be a limiting factor. Car and all running costs. Pension. Share* option. Help with relocation if necessary.
- **For further details and an application form please telephone Lyn Staines, Recruitment Secretary, on Windsor (07535) 56633 (24 hrs) quoting Ref. DM/552.**

3i Investors in Industry Consultants Limited
Recruitment Division

Accountancy Appointments

Commercial Flair

West London c£18,000 plus car

The continuing expansion of this very successful high-technology company has led to the creation of a first-class opportunity for a recently qualified accountant who can develop their commercial and management skills in an atmosphere of change. The UK subsidiary of a group whose reputation is synonymous with quality, this company has had a recent growth rate of around 20% per annum and plans to double its present staff of 400 over the next four years.

As a result of these plans, the company requires an accountant with a flair for business and an eye for detail, who will initially be responsible for increasing the efficiency of the accounting department and streamlining management reporting. Thereafter the role will develop in the following areas:

- business analysis
- treasury
- systems development

The initial challenge and future development of the position will require both initiative and independence. Prospects and rewards will be limited only by the ambition and ability of the individual to succeed.

Please write in confidence to Jane Woodward (ref 8882) or phone on 01-638 3722.

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

Finance Director

c. £35,000

For a major public company in the property sector, primarily developing commercial and industrial properties for its own portfolio, valued at in excess of £250 million. Although mainly in the U.K., there are substantial and growing investments in Europe, the U.S.A. and Australia. *In addition to dealing efficiently with all internal financial and management* accounting affairs, the person appointed will be responsible for matters related to financing, tax and legislation and be expected to participate in the formulation of company policy with his fellow Directors.

Candidates, aged 35-40, must be suitably qualified. Their experience may be in property, but, if not, is likely to be in broad financial services, which may be corporate or professional. The keystone is possession of an acute and creative financial mind, coupled with the ability to work—*shirt sleeves style—in a close, dedicated team.*

The company operates a share option scheme. Car. Good fringe benefits.

Please write, in strict confidence, giving details of age, experience, qualifications and present salary quoting Ref: 913/FT. No information will be divulged to our client without *your permission.*

CB-Linnell Limited
7 College Street, Nottingham.
MANAGEMENT SELECTION CONSULTANTS
NOTTINGHAM - LONDON

Financial Analyst

Vigorous Acquisition Programme

Competitive Salary + Bonus + Car
Crawley, Sussex

Due to expansion a *Financial Analyst* is required by Stone International plc., an international engineering company with current sales of £100m plus. You will be a qualified ACA or ACCA with 1-2 years' post qualification experience, probably a graduate and will join a small head office team reviewing and consolidating the plans and performance of subsidiaries and carrying out assignments in connection with the Group's vigorous acquisition programme.

Some UK and overseas travel will be required. This post is an opportunity for someone with development potential to join a fast growing and profitable company.

Please send applications with C.V. to: John Raimes ref. 8.2165. % HAY-MSL Selection and Advertising, 52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

Stone International plc

Financial Director

Come in at the Top and Modernise Our Systems

This is an outstanding opportunity to install modern financial systems and take a pro-active role at Board Room level for a profitable and expanding company, based in Middlesex, providing buying, merchandising and distribution services to 1500 shareholders (Independent Grocers).

Your objectives are two fold: help us maximise the *efficient* use of current assets, thereby releasing capital for further business opportunities, and the evaluation of new ideas.

The company is about to embark on a planned computerisation of its accounts, stock control, and management information systems. You will work with external consultants in the development and installation of these new systems, meeting the company requirement for enhanced management information and customer service.

Aged 35 years plus, you have worked in retailing, FMCG, distributive or service based industries at Chief Accountant level. You have had experience of the complete finance function and have been involved in the installation of a computerised management information system. You are capable of making innovative proposals to the Board and, on agreement, taking responsibility for their implementation.

A key member of the management team, you will lead a department of 60 staff and be responsible for the Accountancy, Administration, Company Secretariat, Personnel and Legal activities.

The salary reflects the importance of this position and benefits include a company car, BUPA, pension, life assurance and relocation assistance where appropriate.

If you feel you could meet the challenge, please telephone or write with full CV to our adviser John Costello of Cripps, Sears and Associates Limited, Personnel Management Consultants, Westminster House, 2 Minster Street, Reading, RG1 2JA. Telephone (0734) 502561.

Cripps, Sears

ACCOUNTANTS

We're bringing together quality and fashion — you're bringing TOGETHER! top accountancy skills

We are a small team so a high level of interpersonal skills and particularly the ability to deal with people at all levels are important.

Possibly a graduate, certainly a qualified accountant with several years experience which may have been in retail, you will find this position an interesting challenge which will make a positive contribution to both your and our future.

We'll offer you a salary c£20,000, plus a company car. So if you're in the market for a new challenge, get into the market of quality fashion with Together!

Please phone for more information or write, including your full c.v. to: Mike Hewker, Managing Director, Together!, 139 Clapham Road, London SW9 0HR. Telephone: 01-582 6641.

Together! was formed last May. It designs and sells an exclusive range of quality fashion clothes and accessories through a prestige 52 page mail order catalogue and by concessions in 80 major stores throughout the country. Franchising agreements overseas make the catalogue one of the most widely available in the world.

Although only a relatively small company based in South London, we have the full backing of a large retail organisation, and we have achieved a multi-million pound turnover in our first year.

Following this expansion a new position has been created for an accountant to direct the financial operations of the company, using your accountancy expertise to improve the company's efficiency and profitability.

Because of our size you will need to be flexible with the capacity to respond to challenges and accept responsibilities for areas outside the normal accountancy function.

Chief Accountant City Partnership c£20k

Our client is one of the leading firms of City solicitors. It has several overseas offices and is well advanced in its planning to maintain a record of profitability and growth.

The highly respected Chief Accountant is moving from London for family reasons and the Partnership Secretary wishes to appoint a first class replacement. With a staff of 15, the new Chief Accountant will take on a broad range of responsibilities and assist with the Partnership's next major phase of development.

Candidates are likely to be in their late 20's with at least 2 years' post-qualification experience. Consideration will also be given to older candidates with relevant experience outside the accounting profession. Please send adequate cv details in confidence to Karen Will (ref. LM81) at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Spicer and Pegler Associates
Management Services

Financial Accountant

c£18,500 neg+car London

International jewellers, Mappin & Webb, members of the Sears Plc Group of Companies, require a Chartered *Accountant for their Head Office in Regent Street.*

Reporting to the Financial Director, and very much a part of his team, you will be responsible for a small department preparing statutory accounts, taxation, VAT *returns* and monthly and quarterly figures to tight deadlines. You must be willing to undertake practical day-to-day financial accounting and you will be heavily involved in major redevelopment of D.P. systems. The job offers positive career development prospects both within the Company and in the wider group.

Candidates will have at least 3 years' commercial experience, ideally including retail, and will probably be graduates.

In addition to the negotiable salary, we offer an appropriate benefits package.

Please send a comprehensive C.V. to Mr S Nicholson, Personnel Executive, Mappin & Webb Limited, 106 Regent Street, London W1R 6JH.

Mappin & Webb
THE INTERNATIONAL JEWELLERS
LONDON · PARIS · CANNES

YOUNG FINANCIAL CONTROLLER (designate)

to £20,000 + car

CRAWLEY

One of the UK's LEADING MULTI-NATIONALS has a turnover in excess of £1,100 *million p.a.* and *employs c* 25,000 people in over 60 countries. A major division within the group seeks a Financial Controller. It is engaged in INTERNATIONAL *ENGINEERING CONTRACTING*, has a turnover approaching £100 *million* and comprises several companies operating major contracts anywhere worldwide including the U.K., Europe, the U.S.A., Africa, the Middle and Far East.

This highly visible position involves acting as a vital member of a small and select head office team, liaison with senior management *on financial issues, full involvement in* commercial activities and the decision making process, and reports to the Financial Director. Key responsibilities include the m .nitoring of operating companies' performance, monthly management information, budgeting, *annual* financial accounts and systems development. Promotion prospects are excellent within the group as a whole.

Candidates *should* be *qualified* accountants, in the likely age range of 27-35, with at least 2 years commercial experience, probably in a line management or head office position. Experience in project management or contracting is useful but not essential.

A re-location package is available in appropriate cases.

Please send your career and current salary details to Barry C Skates at the address below.

MKA

MKA SEARCH INTERNATIONAL LIMITED
Berkshire House
Queen Street
Maidenhead SL6 1NF
Telephone: 0628 75956

Group Financial Director

c.£35,000 +car

The Metropole Group of Casinos is a division of Lonrho PLC, operating a UK-wide network of casinos, including some of the *most prestigious* of London's clubs. The Group is currently undergoing an organisational transformation, *brought on by the scale of our growth,* an enviable record and some exciting development plans.

Our new Financial Director will need to be a dynamic personality, proactive rather than reactive, and capable of contributing to the Group's management at the highest level. Only a *professionally* qualified accountant with these qualities and a background in senior financial management is likely to possess the stature necessary. The ability to quickly assimilate the terms and implications of the Gaming Act is also of paramount importance and if combined with experience of the leisure industry will make you a particularly strong candidate.

For the right person the salary is negotiable and, in addition to a 2 litre car, benefits include BUPA and company pension scheme.

In the first instance write with full c.v. to: Kevin Goodman, Group Personnel Manager, The Metropole Group of Casinos, 41 Upper Brook Street, London W1Y 1PF.

The Metropole Group of Casinos

ACCOUNTANCY APPOINTMENTS

NEWLY-QUALIFIED

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II *examination.*

We propose to publish the list in our issue of Thursday, September 26, which will also contain several pages of advertisements under the heading of "Newly-Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly-Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this opportunity.

For further details please telephone:
Louise Hunter on 01-248 4864

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

CHARTERED ACCOUNTANTS

£15,000 - £20,000 + CAR

If you are young, qualified and looking for a new career, we're here to help you.

With a wide variety of excellent positions in merchant banks, the service sector and a diversity of other blue chip companies, we are ideally placed to fill your job requirements.

Our service is personal, professional and completely confidential. We may have just what you've been looking for so why not ring us today for an appointment or simply send us your C.V.?

THE PERSONAL SERVICE
ACCOUNTANCY ASSOCIATES LIMITED
incorporating Accountancy Recruitment
5 VIGO STREET LONDON W1X 1AH TELEPHONE 01-439 3387 TELEX 27789

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
Rate £37.00 per single column centimetre plus VAT

Accountancy Appointments

US FRAGRANCE HOUSE

EARLY RESPONSIBILITY FOR A FAST TRACK ACCOUNTANT

MAYFAIR c. £17,000

Giorgio manufactures and markets a range of exclusive fragrances. Building on phenomenal success in the United States, the Company has established a marketing operation in London, which has already ensured distribution through selected stores in the UK and Europe.

We are now seeking a qualified accountant to join our management team in London and take responsibility for all statutory and management accounts. In your twenties, you will be an ACA or ACMA with just sufficient experience to build your confidence to shape the development of accounting practices and M.I.S. in a multinational organisation. Conversant with aspects of international trade you will be prepared to take a key role in the direction of this dynamic company.

This calls for a self sufficient individual with a sense of style and an aptitude for success, who is looking to gain more responsibility in an environment that recognises talent and provides no career limitations.

Salary is negotiable around £17,000 p.a.

Please send a detailed c.v. quoting ref C144 to our advisor Roger Juniper, Juniper Woolf & Partners Ltd, 22 New Concordia Wharf, St Saviours Dock, *Mill Street, London SE1 2BB.*

Giorgio
BEVERLY HILLS

Group Financial Controller

Up to £20,000 + car — Shropshire

Our client, a well-established and profitable Company with an aviation background, is attractively located in Shropshire and has a second production unit in East Anglia. Its diversified and technically based products are world market leaders and there is a healthy export business.

Recent mergers and a policy of continued growth call for the early appointment of an ICMA qualified Financial Controller to take responsibility for all financial affairs and to help lead the Company to USM status.

Experience of introducing computer assisted accounts systems into a production environment is required together with personal energy, a "hands-on" style, and a commitment to corporate prosperity. Successful collaboration with the dynamic management team will lead to an early Board appointment.

A starting salary up to £20,000 is offered together with a 2 litre car, family BUPA, pension scheme and generous holidays. Relocation help is available if necessary.

Applicants in their thirties should send a full CV quoting ref. 1429 to:–

BinderHamlyn
MANAGEMENT CONSULTANTS
Trevor Austin.
Binder Hamlyn Management Consultants
8 St Bride Street London EC4A 4DA

The financial services industry is on the move. Are you?

The financial services industry is currently undergoing fundamental restructuring. As the largest and one of the fastest expanding UK firms of management and economic consultants, Coopers & Lybrand Associates are experiencing a growing demand to assist financial institutions to meet new challenges and opportunities.

Our Financial Services Group undertakes varied assignments, ranging from Strategic Business Planning and Market Analysis through Diagnostic Appraisal to the Design and Implementation of Operational and Financial Management Systems. A significant element of our systems work in the financial sector involves the development of long-term IT strategies and the design and implementation of improved computer and communication systems.

In response to this increasing demand for our services we are seeking further high-calibre specialists in **Investment, Corporate Banking, Insurance, Treasury and Cash Management, Retail Banking and Building Societies.** You will have at least 3 years' experience in the financial sector, and be a graduate aged 27-33, preferably with an additional relevant professional qualification. The remuneration package will be attractive if you match our requirements.

If you are innovative and self-motivated, can handle a job which is both creative and intellectually challenging and expect rapid career progress, please send a career résumé indicating your qualifications and salary progression including a daytime telephone number to Murray MacFarlane, Coopers & Lybrand Associates, Fleetway House, 25 Farringdon Street, London EC4A 4AQ quoting ref. 01/15.

Coopers & Lybrand

For business committed to growth.

Finance Director

Hertfordshire — £30,000 + car

There is a strong commercial dimension to this post on the Board of the British subsidiary of a major Scandinavian corporation. A market leader in its sector, the company's revenues are approaching the £20m mark and it operates with considerable financial independence from the parent group. Manufacture is largely overseas, with the UK company providing a strong technical department and service function. The Finance Director will be responsible for financial planning, reporting and control, as well as having an important role in the international development, administration and overall management of the company. Candidates should be chartered accountants, at least in the mid 30s, and have worked at management committee level in a profitable unit of a substantial international company.

Remuneration will include a share scheme and senior executive benefits.

Please send cv, in confidence, indicating current salary, to M J Egan, Ref: AA26/9525/FT.

PA

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Partnership Secretary/Administrator

Legal Profession
Manchester, c £20,000 + Car

This is a new appointment within a highly respected, large partnership, comprising a major city office and several regional branches. Continued growth and the increasing demands on non-legal matters have given rise to this senior position. Responsibilities will include the introduction and effective control of all matters affecting the practice's profit and efficiency, ranging from financial and business controls to office administration.

Appropriate candidates will ideally be aged 35/45, of degree status and will almost certainly have an accounting qualification, ACIS, ACA or ACCA.

Strong administrative abilities and presence are essential and the successful candidate must be capable of acting in a senior capacity within a highly professional environment. A background as Company Secretary/Administration Manager in a service or professional organisation is preferable.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to *G. Sable*, **Hoggett Bowers plc,** *St. John's Court, 78 Gartside Street,* **MANCHESTER, M3 3EL, 061-832 3500,** quoting *Ref: 29639/FT.*

FINANCIAL DIRECTOR

c£25,000 + car + benefits

We are a growth-orientated residential estate agency and require a dynamic professionally qualified graduate accountant, with past qualification experience ideally in industry. This is an exciting opportunity for a person aged ideally between 28 and 32 who is able to update and refine our existing computerised financial and management control systems and help take us into the next phase of our dynamic business development.

If you are looking for a real challenge and would like to work as part of a young team in a fast-moving environment write today with full c.v. to:

Nigel Conradi, Managing Director
CHESTERTONS RESIDENTIAL
116 Kensington High Street
London W8 7RW

Chestertons

Financial Analyst Corporate Planning

c.£20,000 — Central London

For a major British company which is a leader in its field. The main role will be the collation, processing, validation and critical analysis of computerised planning information, particularly in relation to short-range forecasting, group budgeting and exchange fluctuations, in conjunction with computer specialists. There will also be *opportunities to participate in ad hoc projects.*

Candidates, aged 27-32, should ideally be graduate chartered accountants with experience of sophisticated computerised management planning systems, with the ability to understand finance/business in an international context. Excellent prospects exist within the Group. Remuneration will include a generous salary, contribution towards BUPA, pension scheme, season ticket loan, five weeks holiday, relocation expenses where applicable, and the possibility of a company car.

Please send a full c.v. to Bernard L. Taylor, MBIM, quoting ref: 6795 or **telephone for a personal history form.**

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants

37 Golden Square,
London W1R 4AN.
01-434 4091

FINANCIAL DIRECTOR (DESIGNATE)

Age 25/35 — South Manchester — £16/20,000 + Car + benefits

AVT is a young and successful company, that has built up an excellent reputation within the oil industry as a specialist engineering consultancy. It has also developed a new sophisticated product that is about to be launched in the market place creating tremendous new opportunities. Due to this exciting development and the fact that the company has grown rapidly in recent years, a Qualified Accountant is now required to become F.D. (designate).

The position is an all embracing one. It will involve being responsible for the accounting and administrative function. Additionally, it will include the appraisal and improvement of the existing computerised systems, the installation of a contract costing system as well as introducing a meaningful management accounting package that will include cash and profit forecasts, budgets etc. The position will also involve advising the Board on all financial matters.

The successful candidate will have commercial acumen and already have had a proven record to date. He/she should be able to communicate at all levels, be technically sound, and have the flair, enthusiasm and flexibility to join a Company that has an excellent future.

The candidate will also have a small staff to control and will report directly to the M.D.

Prospects are obviously good, particularly as AVT has already had preliminary discussions with a view to an eventual flotation. This means, of course, that it is essential that he/she will be capable of guiding the company through to its new status in the future.

Please contact **Lawrence Barnett** *at our Manchester Office, quoting Ref no. FTM 101*

22b Dale Street,
Liverpool L2 5SD.
Tel: 051-236 9373

ASB
RECRUITMENT LIMITED

64 Cross Street,
Manchester M2 4JQ
Tel: 061-834 0618

FINANCIAL CONTROLLER

We are a multi-disciplinary practice of consulting engineers primarily in the building industry.

Since our inception in 1976, we have achieved a dynamic growth pattern having experienced a sixfold increase in staff and a fifteenfold increase in turnover.

Present staff complement is 120 and turnover is projected to exceed £3m in the next financial year. Offices are maintained in London, Newcastle upon Tyne, and Edinburgh.

In order to maintain that record and improve our financial planning and control we are seeking to recruit a Financial Controller.

The successful applicant, who will report directly to the Partners, will assume overall financial responsibility for practice affairs including:

- ★ Short- and long-term financial planning.
- ★ Tax planning.
- ★ Management accounting and cost control systems.
- ★ Liaison with external advisers.
- ★ Restructuring and diversification of the Partnership's interests.

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Accountancy Appointments Europe

SECTION II – COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday September 19 1985

New law sought to clear Milan bourse log-jam

BY ALAN FRIEDMAN IN MILAN

A LAW to streamline the cumbersome Italian equity settlement and clearing system may be approved by Parliament in the next few months.

The legislation, which in part represents the efforts of several Italian regulatory authorities such as the Bank of Italy and the Consob stock market agency, comes amid increasing complaints from foreign investors about long waits for certificates.

Frustration is growing over the bureaucratic problem because foreign investment in the Milan bourse is reaching record levels.

Settlement dates have been getting later as volume has grown. Daily share volume is now six times what it was a year ago.

The Milan bourse has seen its total market capitalisation rise from L50,000bn ($25.6bn) at the beginning of this year to L82,000bn this month.

The BCI share index has risen 75 per cent since last January, along with big rises in the share prices of companies such as Olivetti, Fiat, Montedison, and Generale.

The Italian share-clearing system, much of which is handled by a Milan-based company called Monte Titoli (literally, "Share Mountain"), is acknowledged to be in serious need of an overhaul.

Wall Street investors in particular have been irked by delays in deliveries of share certificates, which, in some cases, have taken up to four months.

Dr Guido Roberto Vitale, managing director of Euromobiliare, a Milan investment banking group, said the delays were not affecting foreign investor interest in Italy. "It is, however, a problem, because service must be up to expectations," he said.

Chase Manhattan, the large U.S. bank, recently sent a circular letter to clients investing in Italy, warning of lengthy delays and difficulties in share transactions.

In London Ms Deborah Rees, who follows Italy for stockbrokers Grieveson and Grant, said it often took "quite a long time before settlement takes place." But she did not see the delays daunting potential investors.

According to an official of the Consob regulatory agency in Rome, legislation to streamline the system was first discussed last spring, introduced in parliament in June, and approved by the Senate on July 11.

If the legislation now passes the Chamber of Deputies it could point the way towards a faster – and eventually electronic – clearing system. But even if the law is approved soon, few market analysts expect much change in the system before next spring.

Richardson Vicks sets up bid defence

By Terry Dodsworth in New York

RICHARDSON-VICKS, the U.S. skin and health care group, has strongly rejected a takeover bid from Unilever and declared a new share issue to strengthen its defences against the Anglo-Dutch group.

Mr John Scott, president and chief executive of the Connecticut-based company, told shareholders that Unilever's two-tier bid was designed to "pressure the company's board" into entering into a transaction it had decided was not in the best interests of its shareholders.

He said: "We will not be coerced by this tactic into taking action dictated by Unilever's interests and not those of our shareholders."

The new issue of special preferred stock is a variation on a tactic used frequently in U.S. bid battles. Richardson-Vicks said the distribution, in the form of a dividend to common stockholders, was intended to afford long-term shareholders a greater voice in the affairs of the company.

The distribution will also, Richardson-Vicks adds, "make it more difficult for any person, including Unilever, to acquire the company on terms which the board of directors determines are not in the best interests of the company and its shareholders."

The key element in the new series A preferred shares is a provision to give different voting rights to long and short-term holders. Shareholders on the issue date of September 27, when one preferred share will be distributed for every five common shares, will be entitled to 25 votes a share on any issue submitted to stockholders.

However, if the shares are acquired after the issue date, holders will be allowed only five votes a share until they have held them for 36 months.

Richardson-Vicks also proposes to pay higher dividends as a result of the new issue.

Unilever hit back at Richardson-Vicks yesterday by asking the courts to block the issue of the new preferred stock on the grounds that it would pose a "significant barrier" to its tender offer.

The Anglo-Dutch group has already sued Richardson-Vicks in the federal district court in New York, alleging that a share buyback programme launched by the U.S. company last week was aimed at blocking a merger.

BELGIAN STEEL GROUP WARNS OF FURTHER LOSSES

Cockerill recovery faces delay

BY PAUL CHEESERIGHT IN BRUSSELS

COCKERILL-SAMBRE, the state-owned Belgian steel producer, will shortly announce first half losses of BFr 3.18bn ($54.8m) and forecasts that full year losses will be around BFr 6bn.

The losses, which were predicted, emphasise setbacks in the company's restructuring plan, although executives noted yesterday that it was slowly re-establishing itself.

Hopes of break-even have been pushed back to 1987-88, although the general European Community aim for steelmakers has been to make them financially viable by the end of this year. Losses next year are expected to be BFr 2bn.

Against the background of these figures, Cockerill-Sambre is entering a new era. Its restructuring plan, announced in 1983, was devised by M Jean Gandois, a French executive who performed the same service for Arbed of Luxembourg.

M Gandois was then asked to put the plan into operation. But he is scheduled to leave the group at the end of this month. Cockerill is now headed by M Raymond Levy.

M Gandois' departure signals the end of a major stage in restructuring that has encompassed not only plant closures but also a new agreement with the trade unions, a production sharing and joint investment plan with Arbed and a reorganisation of Cockerill's commercial operations.

From the end of this month M Levy will have to make the new, slimmed down Cockerill work. The problems of the first half of this year indicate that it will not be easy.

Some of the problems are not of Cockerill's own making. The losses have been related to the strength of the dollar, and Cockerill buys more in the dollar zone than it sells. They have been tied up with the general sluggishness of the European market: of the 4.2m tonnes of steel Cockerill produced last year, 3.4m were sold in the EEC.

Also outside Cockerill's immediate control has been the fact that the restructuring plans for Cockerill caused such a domestic political rumpus that the plan came into effect nine months later than M Gandois had intended. He calculates that this cost the group BFr 5bn, some of the effect of which has shown through in the half year results.

Like other steelmakers Cockerill was not helped by the appalling weather in the first two months of the year.

But that weather also coincided with an outbreak of labour unrest at Cockerill, whose main works are in the Liège and Charleroi steel basins. The cost of that was BFr 1bn.

All these factors, short and long term, brought together meant that Cockerill has had to revise its financial forecasts. At the end of 1984, it was predicting a net loss of BFr 3bn for this year.

On the face of it, Cockerill ended 1984 with a profit of BFr 4.1bn but that was only achieved by running in to the accounts exceptional gains flowing from the financial restructuring of the group and the provisions of funds from the Belgian Government to pay for early retirements.

The Government now owns directly 65 per cent of the shares, while national and regional investment funds hold a further 32 per cent. The total number of remaining shares are a speculative counter on the Brussels bourse.

M Levy's task now is to seek heightened competitivity for the group. This will come partly from the more efficient merging of activities between the two steel basins. But it will also have to come from lowering labour costs relative to those of competitors.

Cockerill's workforce has been cut in half to just under 20,000. Labour costs fell from BFr 26.2bn to BFr 21.2bn between 1980 and 1982, but have since started to creep up again, reaching BFr 23.4bn in 1984.

Trading deregulation ruling means big saving for AT&T

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone and Telegraph (AT&T), the giant U.S. telecommunications group, yesterday won a crucial ruling which allows the combination of its regulated long-distance telephone business with its unregulated telephone equipment marketing operations. AT&T said the change will save it about $1bn a year.

The key Federal Communications Commission (FCC) ruling, delivered yesterday, reverses part of a set of 1980 regulations known as the Computer II rules, under which AT&T was allowed to enter the unregulated telephone equipment business only through a separate subsidiary to undertake these operations.

AT&T had sought to modify the rules in the aftermath of the massive court-approved Bell System break-up at the start of 1984 under which AT&T spun off its local telephone operations. The telecommunications group argued that the Computer II regulations were redundant since the divestiture meant it no longer held a monopoly over the telephone service.

The FCC's unanimous decision means AT&T will now be free to market its equipment and long-distance telephone service together instead of being forced to maintain one sales force to sell the services of AT&T Communications, its long-distance business, and another to sell equipment like computers and telephone switching gear.

AT&T's equipment manufacturing competitors had argued that such a move would place them at a serious marketing disadvantage and would allow AT&T to subsidise its equipment business with revenues from long-distance telephone operations.

The FCC, apparently in response to these concerns, said it would require AT&T to file an accounting plan explaining how it will keep revenues from the two businesses separate and imposed a series of other requirements which are designed to ensure fair competition in the telephone equipment market.

The FCC ruling does not affect the requirement that AT&T offer special computerised telephone services through a separate subsidiary. The FCC also rejected an AT&T plan to offer a cut-price long-distance telephone service called "Pro America," mainly to small businesses.

● AT&T said it would cut 900 union jobs or 15 per cent of the workforce at its Allentown, Pennsylvania semiconductor plant by the end of this month because of lower than expected sales.

The job reductions come against the backdrop of probably the most severe downturn ever in the computer and semiconductor industries. They follow a massive 24,000 or 21 per cent job reduction announced last month at the group's Morristown, New Jersey information systems unit, which manufactures and markets communications and computer equipment.

AT&T said the latest cuts were necessary to reduce manufacturing output and match recent declines in sales forecasts. The company said the Allentown layoffs were unrelated to the earlier job cuts in its information systems division.

The plant, which employs 6,000 workers, manufactures a range of micro-electronic components sold to outside customers or used in AT&T's computers and other products.

French export bank lifts capital

BY DAVID MARSH IN PARIS

BANQUE Française du Commerce Extérieur, the French state-controlled export financing bank, is about to raise its capital resources by a total FFr 1.04bn ($118m) to back plans for further expansion of its domestic and international business.

The bank, which is owned by a string of state financial institutions led by the Bank of France and the Caisse des Dépôts et Consignations, is becoming the latest group to issue non-voting loan stock (titres participatifs or TPs) on the Paris financial markets.

A TP issue of FFr 700m, carrying a yield depending partly on French money market rates and partly on the bank's net profits, will be made next month. The bank is also raising its equity capital from FFr 660m to FFr 1bn through a two-stage issue of shares to its existing shareholders, due to be completed next year.

The capital increase, which has just been authorised by M Pierre Bérégovoy, the Finance, Minister, should help bring up the bank's capital ratios to standards required by the Bank of France under new capital adequacy rules.

BFCE, which makes available subsidised export credits to foreign countries, mainly developing nations, and also has expanding domestic loan operations, is one of France's biggest borrowers on the international capital markets.

Although the bank mainly borrows abroad with a state guarantee, its management regards the capital increase as helping to reinforce its credit rating. The increase in equity and the additional backing from TPs will also help to increase the bank's overall domestic lending capacity under the new monetary control system, brought in this year by the Bank of France.

The bank's decision to make an issue of TPs – which are intermediate in character between bonds and non-voting shares – follows a tide of TP transactions over the last two years by state-owned commercial banks. Gaz de France, the nationalised gas utility, has also issued TPs, while another has just been announced by Crédit Agricole, the co-operative agricultural bank.

Banque Française du Commerce Extérieur believes its future profitability will be only moderately affected by government plans to cut interest rate subsidies and introduce greater competition among French banks for export credit business for richer importing countries. Net profits last year were FFr 57m.

Hanson awaits SCM ruling

A NEW YORK appeal court judge will make a decision early next week on the validity of an injunction restraining Hanson Trust of the UK from buying more shares or voting its holding in SCM, the U.S. conglomerate, writes Our New York Correspondent.

Hanson is appealing against a temporary injunction handed down after it had acquired a 25 per cent stake in SCM within hours of withdrawing a tender offer for the U.S. group.

Textron/Bridgeport

A HEADLINE in yesterday's edition incorrectly suggested that a management team was set to buy Textron. It should have stated, as the story made clear, that Textron was planning to sell Bridgeport, its machine-tool subsidiary, to a management team.

Eurodollar new issues exceed $1bn

BY MAGGIE URRY IN LONDON

THE RUSH to borrow in the Eurobond market materialised yesterday with more than $1bn raised in the Eurodollar sector alone.

The World Bank, unusually, chose Morgan Stanley to lead a fixed-rate issue for $200m rather than Deutsche Bank, its usual lead manager.

The 15-year bonds pay a 10⅛ per cent coupon and are priced at par, but investors only have to put up 15 per cent of the issue price at the outset with the balance due next April. The bonds were trading just within the 2¼ per cent fees.

The European Investment Bank later awarded a mandate for a $150m seven-year issue to Union Bank of Switzerland (Securities) after asking banks for bids. The terms looked tight at a 10⅛ per cent coupon and 100⅛ issue price. Fees are 1⅞ per cent and the bonds were bid just outside that level.

Two other fixed-rate issues were launched. Commerzbank led a $50m seven-year deal for Norwegian company Elkem, with a 10⅛ per cent coupon and par issue price. Late in the day Orion Royal Bank launched a $75m issue for Österreichische Postsparkasse with a five-year life and a 10 per cent coupon with a 100⅛ issue price.

BHF Bank bond average		
Sept 18		Previous
105.242		105.315
High	1985	Low
105.417		99.840

Two floating rate note issues appeared and both were moving slowly. Merrill Lynch was said to be doing a good job with a $300m, 15-year mismatch issue for Ireland which pays the higher of the one-month London interbank offered rate (Libor) or the six-month mean rate between Libor and Libid.

The issue price was set at 100.10 and fees total 17 basis points. The bonds were offered at 99.97, just above the level at which co-managers own the bonds.

A $250m floater for Chemical New York, the Chemical Bank holding company, was having a tougher time. Salomon Brothers won the deal in the face of heavy bidding and set terms for the 12-year bonds at ⅛ per cent over three-month Libor with a par issue price. The bonds were trading outside the 16 basis point commissions.

Eurodollar bond prices weakened yesterday following a lower opening in the New York bond market.

The World Bank stuck with Deutsche Bank for its DM 600m 10-year deal which pays a 6½ per cent coupon and was issued at par. The bonds were moving well at prices around 99.

Superfos, the largest Danish industrial company, launched a DM 150m 10-year issue led by Commerzbank. This pays a 7 per cent coupon and is par priced. Here, too, the bonds were selling within the 1½ per cent concession.

D-Mark bonds were little changed in the secondary market yesterday.

Electricité de France found that an 11⅛ per cent coupon was the right level for a five-year issue in the Euro-French franc market. The FFr 500m offering was issued at par and led by Crédit Lyonnais. Fees total 1⅞ per cent and the bonds were trading at around 98⅞.

In the Swiss franc market traders are expecting the World Bank to launch the second zero coupon issue, with terms rumoured at a SwFr 600m redemption amount and a 30-year life with an issue price of 18.70. Likely lead manager is Morgan Guaranty but it declined to comment on the issue yesterday.

SBC indicated a 6 per cent yield for a SwFr 70m eight-year issue for Korea Development Bank, the first public issue for a Korean borrower in this market.

UBS announced a SwFr 18m private placement for Nakanogumi with a five-year life and a 5⅝ per cent coupon. Issue price is par.

Swiss franc bonds were mixed with prices unchanged on average yesterday.

Forsmark, the Swedish power group, launched a five-year issue in the Danish krone market for DKr 250m led by Svenska International. This pays a 10⅛ per cent coupon and is priced at 100⅛.

In the European currency unit market, SNCI of Luxembourg launched an Ecu 40m 10-year bond with a 9 per cent coupon. Banque Internationale à Luxembourg will set the price next week.

International bond service, Page 21

Romania to go ahead with $150m Euroloan

BY OUR EUROMARKETS CORRESPONDENT

ROMANIA is pressing ahead with plans to raise a $150m, five-year loan in the Euromarkets, despite reports earlier this week that it intends to repay all its $7bn foreign debt within the next two or three years.

The credit, which bears an initial margin over London Eurocurrency deposit rates of 1¼ per cent rising later to 1⅜ per cent, is already nearly fully underwritten and should be entering syndication soon, bankers said yesterday.

Though Romania has long pursued a policy of winding down its foreign debt, it needs the money because of cash-flow problems caused by this year's severe winter. The deal is the country's first significant borrowing in the Euromarkets since 1980.

Earlier this week President Nicolae Ceausescu told the official news-agency Agerpres that Romania will have repaid about half its 1980 debt by the end of this year.

The new deal does, however, carry a grace period of nearly three years before repayment falls due to give Romania considerable leeway to absorb this year's cash-flow hump.

Almost all the eight major banks which advised Romania on its rescheduling in 1982 and 1983 have agreed to underwrite the credit, but the group has already been expanded with other names. The underwriting group should be completed early next week and the deal will go into syndication shortly thereafter.

Thais launch record European borrowing

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THAILAND yesterday launched a Y50bn, 10-year credit in the Euromarkets, a record borrowing for the fledgling Euroyen sector and the first deal of any size since Sweden's abortive attempt to raise Y100bn this spring.

Bank of Tokyo and Citicorp have been mandated to lead the deal, which is to go through a whirlwind process of syndication and be signed next Thursday. Already last night bankers were talking in terms of a possible increase to as much as Y75bn.

At that level, the credit would be more than twice as large as the most recent Euroyen credit, a Y30bn deal arranged last month for the Korean Exchange Bank.

The terms provide for a margin of ⅛ per cent above Euroyen deposit rates for the first two years rising to 3/16 per cent thereafter. Repayments are to begin after a grace period of five years.

Bankers note that these margins are only slightly higher than the terms of the abortive Swedish credit which met universal resistance from the Japanese banking community with a margin of ⅛ per cent.

The Thai credit, however, has obviously been launched with a great deal of preparation and groundwork. A positive response is expected from the banking community which should rejuvenate a sector that has struggled to get off the ground since the Swedish flop.

INTERNATIONAL COMPANIES and FINANCE

Tokyo nearer to offshore market

BY JUREK MARTIN IN TOKYO

THE ADVENT of a Tokyo offshore financial market moved a little closer yesterday with the publication of what the Ministry of Finance considers to be its likely parameters.

As previously announced, its model will be New York's International Banking Facility (IBF), which does not permit the intermingling of domestic and offshore transactions.

Mr Toyo Gyohten, head of MoF's international finance bureau, was unable yesterday to estimate when the Tokyo market would be in place. He said that depended on certain legal and financial considerations that may require parliamentary action.

The key elements of the scheme, as presented yesterday by a special subcommittee of the larger Foreign Exchange Committee, and was broadly endorsed by Mr Gyohten, are:

- Authorised foreign exchange banks (that is, Japanese banks and the Japanese branches of foreign banks) would establish offshore accounts completely separate from their domestic Japanese accounts. Transactions would be exclusively "out-out," in other words only offshore.
- Offshore account operations would basically consist of loans and deposits and be limited to non-residents, other offshore accounts, and the parent bank's domestic account.
- Although the report says that the tax and legal consequences of an offshore market would have to be "studied," Mr Gyohten made it clear that the MoF favoured reducing or abolishing any withholding tax on the interest on offshore accounts and was undecided only on how to implement such a change; similarly, exemption from interest and reserve requirements would be entertained.
- It would also be necessary to ensure that the offshore market was properly insulated from its domestic counterpart, as was the case in New York, so as to ensure that the effectiveness of domestic monetary policy was not impaired.

Mr Yusuke Kashiwagi, chairman of the Bank of Tokyo and of the report's drafting committee, doubted that, initially at least, the Tokyo offshore market would permit trading in securities. He noted that the New York IBF did not.

Both Mr Kashiwagi, a former senior MoF official, and Mr Gyohten, a leading advocate of the offshore facility, said it could make a significant contribution to the internationalisation of the yen and to the development of the Asian-Pacific region as a fully-fledged financial centre.

Morinaga downgrades forecasts

By Carla Rapoport in Tokyo

MORINAGA, one of the Japanese confectionery groups hit by commercial sabotage last year, said yesterday that its pre-tax profits for the six-months to September are likely to drop to Y100m ($414,000) on sales of Y57bn. The group had earlier forecast pre-tax profits of Y2.2bn on sales of Y58bn.

The company also held out the possibility that it could drop into a loss in the first half. The troubles, it said, are still related to the poisoning threat by extortionists last year.

Morinaga says it is still aiming to achieve after-tax profits of Y2.8bn for the full year through the sales of land. As a result, it hopes to wipe out losses of about Y2.3bn carried over from last year and resume payment of an annual dividend

Hearing on Galadari adjourned

BY KATHLEEN EVANS, GULF CORRESPONDENT

A GROUP of 18 United Arab Emirates and international banks have gained more time in their efforts to arrange a restructuring for the debt-laden Galadari trading empire of Dubai, following the adjournment this week of a default suit brought by National Bank of Abu Dhabi.

National Bank broke ranks with the group some months ago, and has been attempting to secure judgment against Galadari Bros. The hearing on the case, the fourth, was adjourned until October 21, and one of the other creditor banks expressed optimism that a deal could be effected before the case is heard again.

The group of banks, led by a steering committee of seven with Citibank in the chair, has declared a moratorium on the group's estimated 1bn dirham ($272.3m) liabilities until a restructuring of the group can be arranged between the banks and the company.

The moratorium also extends to pledges on assets, with the exception of Citibank, which has had its pledge on the Dubai Intercontinental Hotel recognised by the Dubai Government. Under UAE law, the concept of preferred creditors is not generally recognised.

The sum owe dby the Galadaris to National Bank of Abu Dhabi is relatively small compared with the debts to other foreign banks. There is a growing belief that the package could still be agreed even without the participation of National Bank.

Until the court adjournment on Tuesday, a number of banks were expressing reservations about upholding the moratorium and indicating that if National Bank of Abu Dhabi made progress in its case, they too would resort to legal action.

The banks were also known to have become concerned over recent actions by Mr Abdul Rahim Galadari, the founding chairman of the group. Mr Galadari was seen by banks as attempting to reassert his authority over the company and taking decisions without sufficient reference to the banks.

Amid this came the departure of Mr Abe Moses, the group's chief executive, who had been handling the discussions with the banks on a daily basis. His departure—whether by removal or resignation is not clear—has not generally been welcomed by the banks, although one commented that the negotiations were now at least being conducted directly

One of the options believed to be under study by the banks involves the sale of the company's two major assets, the Intercontinental Hotel and the Dubai newspaper, Khalij Times, in order to help finance the rescheduling package. Neither the attitude of the banks nor those of Mr Galadari are yet clear on this.

Another possibility is for the Dubai Government to acquire the two major assets from the group. In an earlier bankruptcy case involving Mr Abdul Wahab Galadari, a younger brother, the Government bought the Hyatt Regency Hotel for 550m dirham, which was viewed as being well above market prices. If Mr Abdul Rahim Galadari can manage to sell his prime assets to the Government, a major part of his problems and those of the banks will be solved. However, the Dubai authorities have yet to make their views known.

Malaysia launches fund for expansion

By Wong Sulong in Kuala Lumpur

THE MALAYSIAN Government yesterday launched a 1bn ringgit ($402.1m) investment fund to stimulate expansion in manufacturing, agriculture, and tourism through concessionary loans. Foreign-owned companies would be eligible under the scheme.

The fund is the latest of a series of significant measures taken by the government to encourage foreign and domestic private investment now that the government has decided to play a less active role in the economy.

The fund is designed to overcome the current high interest rates which the government feels have been the biggest obstacle to growth in business activity. Banks last cut their interest rates in June, by 1 percentage point, and average lending rates stand at around 14 per cent.

Under the scheme, announced by Mr Daim Zainuddin, the Finance Minister, the Government would pump the money into the banking system through the central bank, which will be the approving authority

Mr Daim said government funds would be placed with the commercial banks at 8.75 per cent, or a 1.5 per cent discount from the official base lending rates of the two largest local banks, Malayan Banking and Bank Bumiputra.

Loans extended by commercial banks to investors under the scheme will attract interest rates of not more than 1.25 points above the base rates of the two leading banks, or 11.5 per cent.

Banks, in welcoming the fund, said it would allow for the stimulation of new productive capacity without forcing banks to suffer a loss in profitability through a further reduction in interest rates.

Projects covered in manufacturing include new machinery, plant and equipment, factory buildings, and improvements in transport equipment.

For agriculture, loans will be given for new planting or replanting, research and development, tractors and other farm equipment. Priority will be given to projects producing food for local consumption or export.

Projects under tourism would cover improvements to tourist facilities, hotel construction, and renovation, but excludes those areas where there is already excess capacity. All the ventures must aim at generating new productive capacity, with priority given to export-orientated industries.

Continued growth for Genting

BY OUR KUALA LUMPUR CORRESPONDENT

GENTING, the Malaysian casino, hotel and plantation group, continued its earnings growth in the half-year to June, with pre-tax profits rising 17 per cent to 98.4m ringgit ($39.7m).

Turnover rose by 15 per cent to 213m ringgit and profits after tax and minorities were 57m ringgit, an increase of more than 20 per cent.

Genting said that, although the profit growth was satisfactory, it was still lower than the rates achieved in recent years, reflecting the impact of a slowdown in the Malaysian economy. It said the broad economic picture would also have an impact on second-half earnings.

Although Genting did not give a breakdown of its earnings, it is believed that the strongest growth came from the casino operations, while the group's plantations, hotel and property divisions recorded less buoyant profits.

Asiatic Development, Genting's 80 per cent owned, publicly listed plantation subsidiary, reported an after tax profit of 4.6m ringgit, a decline of 21 per cent, on turnover down 30 per cent to 29.2m ringgit. The drop in earnings was blamed on softer oil palm and rubber prices as well as lower output.

Genting is paying an interim dividend of 9 cents per share (7 cents previously) while Asiatic is making a 2.5 per cent distribution (2 cents previously).

New Zealand studies foreign exchange rules

By Dai Hayward in Wellington

NEW ZEALAND is considering a code of ethics covering foreign exchange dealings.

This follows a meeting between Dr Rod Dean, the deputy governor of the Reserve Bank, and chief executives from trading banks and finance houses involved.

New Zealand police are currently investigating unauthorised foreign exchange dealings which reportedly involved a number of staff in more than one company.

The code of ethics would be similar to those already applying to accountants, stockbrokers and other professions.

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INTL. COMPANIES & FINANCE

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for September 18.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90	100	102	102½	+0⅛	+1⅛	10.21
Amex Credit 12⅝ 88	150	105½	106	−0⅛	+0½	10.23
Atlant Richfld 10¼ 00	250	93⅜	93⅞	−0⅛	+0¼	11.14
Australia Com 11¼ 00	100	102⅞	103⅜	0	+0⅛	10.80
Australia Com 11 95	200	101½	102	0	0	10.68
BP Capital 11⅛ 92	150	101⅞	102⅜	0	0	10.62
Canada 11½ 90	500	104½	105	−0⅛	+0¼	10.10
Canadian Pac 10¾ 93	100	101¼	101¾	−0⅛	+0¾	10.44
Canadian Pac 12½ 89	75	106⅞	107⅜	−0⅛	+0⅜	11.45
Chevron U.S.A. 12¼ 89	600	104¼	104¾	−0⅛	+0⅝	10.81
Citicorp 10 88	200	99⅜	99⅞	−0¼	−0⅜x	10.14
Citicorp 11½ 95	150	101¼	101¾	+0⅝	+1⅛	11.22
Coca Cola 11¾ 91	100	106	106½	−0⅛	−0⅛	10.31
Denmark Kingdom 11¼ 89	100	101⅞	102⅜	−0½	+0¼	10.47
Denmark Kingdom 11½ 90	100	102¾	103¼	−0⅛	−0⅜	10.61
Denmark Kingdom 11½ 92	100	102⅞	103⅜	−0⅛	+0⅞	10.78
Denmark Kingdom 13¾ 91	100	109¾	110¼	−0¼	0	10.90
E.D.F. 10 95	225	94¾	95¼	−0¼	+0⅜	10.84
E.E.C. 9⅝ 90	350	96⅞	97⅜	−0⅛	−0¼	10.29
E.E.C. 11⅛ 90	100	102¼	102¾	−0⅛	+0¼	10.35
E.I.B. 12 95	200	105¾	106¼	−0½	−0½	10.93
Export Dev Corp 10 90⅝	100	99¼	99¾	0	+0½	10.11
Export Dev Corp 12 89	100	105¾	106¼	0	+0½	10.13
Fed Dep Stores 10⅛ 95	100	95⅛	95⅝	−0⅝	−0¼	10.73
Ford Motor Cred 11⅝ 90	100	101⅞	102⅜	−0¼	+0¼	10.70
Ford Motor Cred 11⅝ 95	100	101⅝	102⅛	−0⅛	+0⅜	11.27
Ford Motor Cred 11¾ 92	100	102⅛	102⅝	−0⅛	0	11.19
Ford Motor Cred 12 95	100	104	104½	−0⅛	+0¼	11.22
Gen Elec Credit 10¾ 00	200	100⅜	100⅞	+0⅛	+0¾	10.15
GMAC 10¾ 89	200	100¼	100¾	0	+0⅝	10.05
IBM Credit 10⅝ 2000	300	100⅞	101⅜	−0⅛	0	10.21
Kellogg Company 10⅞ 90	100	101⅞	102⅜	−0⅛	+0¼	10.21
Kellogg Company 11¼ 92	100	102¼	102¾	−0⅛	−0⅝	10.66
L.T.C.B. 12⅝ 91	100	108⅞	109⅜	−0⅛	+0¼	10.75
Macy Cred Corp 11¾ 95	100	103½	104	−0⅛	+0⅜	11.05
Merrill Lynch 12¾ 88	100	104⅞	105⅜	0	+0⅝	11.16
Minnesota 11½ 87	100	103⅝	104⅛	+0⅛	+0¾	9.34
Mitsui Trust 11⅝ 90	100	101¾	102¼	−0⅛	−0⅜	11.03
Morgan Guaranty 12⅝ 89	150	106	106½	−0⅛	+0⅝	10.40
Pru Realty secs 12¼ 95	546	106⅜	106⅞	−0⅜	−0⅛	10.93
Qantas Airways 10⅝ 95	140	98⅛	98⅝	−0⅛	+0⅜	10.64
Quebec Hydro 11½ 92	100	103⅜	103⅞	0	+0⅝	10.73
Queensland Govt 10¼ 95	100	96⅞	97⅜	−0⅛	+0⅝	10.73
Ralston Purina 11¾ 95	150	104⅛	104⅝	−0¼	+0¼	10.97
Ralston Purina 12¾ 89	100	106⅞	107⅜	0	+0⅛	10.59
Saskatchewan 10¼ 92	100	100⅝	101⅛	−0⅜	+0¼	10.53
Saskatchewan 11⅞ 89	100	105⅜	105⅞	0	+0¾	10.13
Statoil 10 90	170	98⅝	99⅛	−0⅛	+0¼	10.29
S Wales Trsy 11¾ 90	150	103⅞	104⅜	−0⅛	+0¼	10.54
Swed Exp Cred 10 92	100	96¾	97¼	−0⅛	+0⅛	10.63
Swed Exp Cred 11¾ 89XW	100	106½	107	−0½	+0⅛	10.58
Sweden Kingdom 10⅞ 90	200	101⅜	101⅞	−0⅛	+0¼	10.38
Sweden Kingdom 11½ 89	200	103½	104	−0⅛	+0½	10.33
*Sweden Kingd 11¾ 94	100	105⅛	105⅝	−0⅛	+0¼	10.78
Tenneco Corp 10¾ 95	150	99½	100	−0¼	+0¾	10.77
Texaco Capital 11⅛ 95	250	99¾	100¼	0	−0⅛	11.10
Tokai Asia 11½ 95	100	101⅞	102⅜	−0¼	+0⅜	11.11
United Tech Fin 10⅝ 95	100	98	98½	−0¼	−0¼	10.92
Victorian Rep 11⅝ 92	150	103⅜	103⅞	−0⅜	+0⅛	10.80
World Bank 10⅛ 95	300	96⅞	97⅜	−0¼	+0⅜	10.69
World Bank 12⅞ 94	200	110⅞	111⅜	−0⅛	+0¼	10.67

Average price change On day −0⅛ on week +0¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	106¼	107	0	−0⅛	6.98
Austria Republic 7⅝ 94	200	104⅞	105⅜	0	+0¼	6.78
Baxter Travenol 7¼ 94	200	103½	104¼	+0⅛	+0½	6.68
Copenhagen 7⅝ 95	150	101¾	102½	0	+0¼	7.05
Credit National 8⅛ 94	200	107¾	108½	+0¼	+0⅞	6.81
E.I.B. 7¼ 94	300	103¼	103¾	0	+0¼	6.72
Escom 8 92	150	95⅞	96⅝	+1¼	+3	8.76
Ex-Im Bk Korea 7⅝ 90	100	99⅛	99⅝	−0⅛	−0⅛	7.77
Ferrovie Dello Stato 8 91	100	105½	106¼	+0⅛	−0⅛	6.68
Finland Republic 7 92	200	101¾	102½	+0⅛	+0¼	6.57
Gould Int Fin 7⅝ 91	100	104⅜	105⅛	+0¼	−0¼	6.58
Ireland 8⅛ 92	150	106	106¾	+0⅜	−0⅛	6.89
Japan Fin Corp 7⅝ 91	100	105⅜	106⅛	0	+0¼	6.40
Mitsubishi Hvy 3½ 89WW	300	171⅝	172⅝	+2⅜	+17⅞	−11.74
Mitsubishi Hvy 3½ 89XW	300	92⅝	93⅜	−0⅛	−0¼	5.74
Mitsubishi Met 3⅛ 89WW	100	105⅛	105⅞	−0⅛	−0⅛	1.77
Mitsubishi Met 3⅛ 89XW	100	89¾	90½	0	−0⅝	5.81
Quebec Hydro 7⅝ 95	200	103	103¾	+0⅛	0	8.64
Renfe 7¾ 95	100	103½	104	0	−0¼	7.19
Renown 3⅛ 90	80	107⅜	108⅜	−0⅛	−2⅛	0.41
Soc Cent Nuclear 7¼ 95	150	101	101⅜	+0⅛	0	7.04
Societe Cent Nuclear 8 91	100	107	107¾	−0⅛	−0¼	6.42
Sth African Tran 7⅝ 92	100	92⅜	93⅛	+0½	+2⅛	9.04
World Bank 7 95	800	†101⅞	102⅜	0	+0⅛	6.78
World Bank 7¾ 89	100	103⅜	104⅛	+0¼	0	6.47

Average price change On day +0¼ on week +1⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¾ 94	100	†102	102¼	[illegible]	+0⅛	5.94
Avon Cap Corp 5⅝ 94	130	†100	100½	+0¼	+0¼	5.34
Brit land Comp 6½ 99	75	†104	104½	+0⅜	+0½	6.04
Council of Europe 6 92	120	†104	104½	+0½	+0⅞	5.27
Creditanstalt 5½ 94	100	†99¼	99¾	0	0	5.57
Deutsche Bk Fin 5⅛ 95	100	†101½	102	+0⅜	+0½	5.13
E.I.B. 5⅞ 94	120	†101½	102	−1	−1	5.62
Gen Occidentale 4½ 94	80	†103¼	103½	−0⅛	−0⅜	4.05
Glendale FedlS&L 5½ 95	100	†98	98¼	0	−2	5.75
I C Industries 5⅝ 94	125	†102	102½	−1	−1½	5.31
Ind Fund Fin 5¾ 94	40	†102	102½	0	+0½	5.43
Int-Am Dev Bk 6⅛ 94	120	†104	104¼	+0⅞	+1⅝	5.53
N.Zealand stMet 5¾ 96	70	†98½	99	−0⅞	−0⅝	5.90
Oberos Kltwk 5⅝ 95	100	†99¼	99¾	+0⅛	+0⅛	5.44
Ralston Purina 5½ 94	125	†100½	101	−0½	−0½	5.27
Santos Finance Ltd 6 94	130	†100	100½	+0⅜	0	5.96
Tokyo Elec Pwr 5½ 93	120	†100½	101	−0⅞	+0⅜	5.37
Tokyo Metropolis 5¼ 94	80	†99½	100	0	0	5.29
World Bk 5¾ 94	150	†102	102¼	+0½	+0⅛	5.45

Average price change On day 0 on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Finland Republic 6¾ 90	15	101⅛	101⅝	+0⅛	+0⅝	6.36
Gdyr Tr & Rubber 7⅜ 95	25	100¼	100¾	−0⅛	+0½	7.04
Mort Bk Denmark 7 92	10	101¼	101¾	+0¼	+0¾	6.79
New Brunswick 7⅛ 95	10	102⅜	102⅞	0	+0½	6.74
Swed Exp Cred Zero 90	14	72¼	72¾	−0⅛	+0⅛	6.61

Average price change On day 0 on week +0½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Chrysler Fin 13⅝ 92 $A	55	99¾	100¾	−0¼	−1	13.55
Rural & Inds. 13¾ 88$A	50	95⅞	96⅞	−0¼	−0⅛	14.84
SBSA Finance 13 88 $A	50	94⅞	95⅞	+0¼	0	15.04
State Bk NSW 12¾ 90 $A	75	94⅛	95⅛	+0⅛	+0⅛	14.33
Amex 10¾ 90 C$	50	99¼	99¾	0	−1	10.86
Genstar Fin 11¾ 95 C$	75	99	99½	+0¼	+0⅛	11.86
Hamß – Wen't'h 10¾ 95C$	25	†95¾	96¼	0	+1¼	11.43
Loblaw Cos 11⅝ 92 C$	50	†99½	100	0	−0¼	11.65
New Brunswick 11½ 95C$	75	†100¾	101¼	0	−0¼	11.42
Shell Canada 11¼ 92 C$	75	101⅛	101⅝	0	+1¼	10.94
Winnipeg City 10⅝ 90C$	50	99¼	99¾	−0⅛	0	10.74
Chrysler Fin Corp 17 90NS	85	93	95	0	+1¾	18.85
K.O.P. 16¾ 91 NS	50	91	93	+0½	+2⅞	18.50
Privatbanken 16⅝ 88 NS	50	95	96	−0½	−0¾	18.46
Creditanstalt 8⅞ 94ECU	58	99½	100¼	+0⅝	+0½	8.89
Motorola 8⅝ 92 ECU	50	99⅛	99⅞	+0½	+0⅜	8.87
Walt Disney 9⅛ 95 ECU	80	101⅝	102⅜	+0½	+0⅜	8.79
ITT Corp 7 90 FL	100	101⅛	101⅝	+0⅛	−0⅛	6.62
Malina 7 90 FL	100	101⅜	101⅞	+0⅜	+0½	6.59
Thyssen 7¼ 90 FL	50	101⅛	101⅝	+0¼	+0¼	6.91
Wereldhave 7½ 90 FL	75	101⅞	102⅜	0	−0⅛	6.98
Wessanen 6¾ 90 FL	50	99¼	99¾	+0⅛	+0⅜	6.87
IBM France 11⅛ 90 FF	700	†98¾	99¼	0	0	11.38
Australia Comm 11 92 £	40	99¾	100¼	0	+0⅛	10.97
BP Capital 10¾ 92 £	50	98⅞	99⅜	0	+0¼	10.93
E.I.B. 11⅛ 93 £	50	100⅛	100⅝	0	+0⅛	11.02
GMAC UK Fin 10½ 90 £	30	98¼	98¾	0	+0⅛	10.89
Imp Chem Inds 11¼ 95 £	75	99⅝	100⅛	0	0	11.27
Imp chem Inds 10¾ 92 £	75	97¼	97¾	−0⅛	+0⅜	11.28
Mcdonalds 10⅞ 90 £	40	99¾	100¼	0	+0⅛	10.84
Mitsubishi Fin HK 11 90 £	50	99⅜	99⅞	0	0	11.07
Privatbanken 11⅞ 92 £	20	100⅛	100⅝	0	−0⅛	11.75
Rank Xerox 11 92 £	40	98⅞	99⅜	+0⅛	−0⅜	11.18
Royal Ins 10¾ 92 £	60	96½	97	0	+0¼	11.45
Star Drug Cap 10⅞ 90 £	30	98¾	99¼	0	0	11.13
Tricentrol XW 11 92 £	35	94⅛	94⅝	0	−0¼	12.34
Trusthouse Forte 11⅛ 90£	50	98⅞	99⅜	0	+0¼	11.34
World Bank 11¼ 95 £	100	101½	102	0	+0⅛	10.93
E.C.S.C. 10½ 94LF	100	103½	104½	+0¼	0	9.80
Nat Lux Alum 10½ 92 LF	600	103⅞	104⅞	+0⅜	−0⅛	9.61

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Banco di Roma 5¼ 92	0	†99¾	100	27/8	9.6	9.61
BankAmerica O/S 5¼ 96	0⅛	99⅞	100⅛	3/9	8⅛	8.13
Bankers Trust 5 2000	0	99¾	100	11/9	7.69	7.70
Bankers Trust 5¼ 96	0⅛	100⅛	100⅜	13/11	8.31	8.29
B.F.C.E. 5¼ 99	0⅛	100¼	100½	18/9	10.06	10.02
B.N.P. 5¼ 96 (July)	0¼	100	100¼	22/1	8¼	8.24
C.C.F. 5¼ 97	0	99¾	100	22/9	10⅝	10.64
Chase Man'tn 5 2000	0	99¾	100	12/11	8⅛	8.14
Chase Man'tn 5¼ 2009	0⅛	99⅞	100⅛	5/9	7.81	7.81
Citicorp O/S 5¼ 96 Sep	0⅛	99¾	100	19/12	11.19	11.20
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	8.69	8.62
Hamea Co 3 00 SF	0⅛	†97½	97¾	12/3	3⅛	3.20
Ireland 5¼ 97	0	100	100¼	25/10	9.69	9.66
Ireland 5¼ 99	0	100¼	100½	14/9	10	9.96
Italy, Republic 5 94	0⅛	100	100¼	12/11	8⅞	8.86
Lloyds Bank 5¼ Perp	0¼	100	100¼	9/12	8	7.90
Midland Bank Perp 5	0¼	99½	100	19/12	8⅛	8.15
Nat West Perp A 5¼ S	0¼	99⅝	99⅞	9/1	8¼	8.27
Nat West Per' B 5¼ S	0¼	99¾	100	10/2	8.81	8.92
New Zealand 5 97 £	0	99¾	100	14/11	11.56	11.58
Queensland Coal 5¼ 96	0¼	100¼	100½	12/11	9	8.97
Roy Bk Canada 5 2005	0⅛	99¾	100	5/9	8⅛	8.14
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	1/11	11.69	11.78
Sweden Perp 5¼	0¼	100	100¼	9/1	8.31	8.30
Tokai 5¼ 99	0⅛	100¼	100½	12/12	8⅛	8.09

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	108½	109½	0	7.72
Comcast 7 2000	12/85	23.875	†102½	103¼	−0½	30.09
Fanuc 3¾ 98	1/84	7032.3	152¼	153½	−1⅛	35.86
Fujitsu 3 99	5/84	1320.9	80⅛	81⅛	−1⅜	22.27
Kumagai Gumi 3½ 2000	3/85	600	154¼	155½	−0¼	−0.63
Marui 3½ 99	7/84	1162	125	126	−1⅛	−0.79
Mitsubishi Elec 2⅞ 00	3/85	422	89⅝	90⅝	−0¾	4.09
Murata 3⅛ 99	2/84	2351.2	91¾	92¾	−0½	32.89
Murata 3½ 2000	7/84	2398	92	93	−0¼	36.89
Nippon Elec 2⅞ 2000	1/85	1295	82⅝	83⅝	−0⅝	26.17
Nippon Oil Co 3 2000	5/85	923	85⅞	86⅞	−2½	1.15
Oki Elec Ind 3½ 99	10/84	805	85	86	−1	28.68
Orient Leasing 5¼ 98	8/83	2590	96	98	0	8.58
Sekisui House 3 99	8/84	612	144⅝	145⅝	−1¼	1.04
Sumitomo Bank 2¾ 2000	8/85	2142	95	96	−0⅛	18.37
Sumitomo Corp 2⅞ 99	5/84	593	112½	113½	−1	−0.07
Taiyo Yuden 3¼ 2000	3/85	1078	†81	83	−1	−3.05
Takeda Riken 3⅛ 2000	10/84	7663	†75	77	−2	29.17
Tokyo Sanyo Elec 3½ 99	12/84	772	92⅝	93⅝	−0¾	11.38
Toshiba Ceramics 3 2000	4/85	1734.2	78½	80	−0¼	10.55
Nippon Oil Co 2⅝ 92 SF	3/84	1052	†101	101½	0	34.29
Nippon Shinpan Co 2 92 SF	3/84	801	†100	100½	+0½	[illegible]
Asics 5 92 DM	12/83	520	107⅛	108⅛	0	21.23
Sum Realty 6¼ 92 DM	2/83	338	†325¼	326¼	+1	−2.86

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week—Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dte—Date next coupon becomes effective. Spread—Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn—current coupon. C.yld—current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day—Change on day. Cnv. date—First date for conversion into shares. Cnv. price—Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem—Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Searle to sell consumer division

By Paul Taylor in New York

G. D. SEARLE, the U.S. pharmaceuticals concern which is being acquired by Monsanto, the country's fourth largest chemicals group in a $2.7bn deal due for completion next month, has confirmed that it is considering selling its U.S. consumer division.

The sale of the consumer division, which markets over-the-counter drugs, forms part of Monsanto's sweeping asset sale programme to raise funds to help pay for its acquisition.

Searle's U.S. consumer products division represents about 18 to 20 per cent of its annual sales of $1.24bn, the bulk of which are accounted for by Nutrasweet, an artificial sweetener, and sales of prescription drugs.

Although neither company detailed the asking price for the division, Wall Street analysts expect Monsanto to raise about $350m through the sale of Searle's over-the-counter drugs business together with the group's remaining 40 per cent stake in Pearle Health Care worth about $110m.

Monsanto has already put its North Sea oil and gas interests up for sale and has agreed to sell its Seal Sands chemical plant in northern England to BASF, the West German chemicals group, for $75m. The two deals form part of a drive to raise a further $1.3bn through the disposal of some of its own assets.

Searle's pharmaceutical group and research and development division will be combined with Monsanto's U.S. and international human health care business and research. A second separate subsidiary will be established for the Nutrasweet business, which has annual sales of around $585m.

First-half loss for Buitoni

By Our Milan Correspondent

INDUSTRIE Buitoni Perugina (IBP), the Italian foods group which was acquired last February by Sig Carlo de Benedetti, made a small loss in the first half of this year, while group sales rose by 11 per cent to L545bn ($280m).

Although the Perugia-based company did not reveal the size of the six-month loss, sources close to Buitoni said it was marginally in the red during the first half, but should achieve a break-even result for the full year.

Last year the group made a L47.7bn loss on L1,000bn of total revenues. But Sig de Benedetti, who aside from being a financier in his own right is also chairman of Olivetti, has worked hard to restructure the Buitoni balance sheet in recent months.

Among the measures adopted have been some debt rescheduling, a major increase in share capital and the issue of convertible bonds for Buitoni, which employs 7,000 people.

Buitoni's sales outside Italy in the first six months accounted for nearly 60 per cent of total turnover. Foreign sales were 14.8 per cent higher year on year at L325bn, while domestic sales of L229bn showed a 5.3 per cent increase, less than the rate of inflation.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE SEPTEMBER 13 1985

	Redemption Yield	Change on Week	12 Months High	12 Months Low
US Dollar	10.799	1.185	12.953	10.629
Canadian Dollar	11.762	1.597	13.524	11.526
Euroguilder	6.301	0.407	7.879	6.249
Euro Currency Unit	9.214	0.116	11.288	9.189
Sterling	10.925	0.301	11.743	10.809
Deutschemark	6.904	0.396	7.920	6.856

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Fleet fires first salvo in bid defence

BY CHARLES BATCHELOR

Fleet Holdings, the Daily and Sunday Express group which is fighting off a £229m takeover bid from United Newspapers, yesterday delivered a stinging attack on United's performance and the quality of its management.

Fleet summed up United as "a miscellany of recent acquisitions co-existing with a steadily decaying core business of regional newspapers and a few magazines."

Fleet timed the publication of its 18-page defence document to coincide with the announcement of its results for the year ended June 1985. These showed a 28 per cent rise to £28.5m in pre-tax profits and a 7 per cent increase in earnings per share, before extraordinary items, to 20.1p per share.

United responded that Fleet had concentrated on the past and had not developed a clear strategy for broadening the base of its operations. The publication of Fleet's results had failed to have much impact on the stock market, it added.

Fleet's shares rose 3p to 363p yesterday while United fell 2p to 308p. At this level the United offer of 11 of its own shares for every 10 of Fleet is valued at 339p per share, still well below the level at which Fleet is trading. There is a cash alternative worth 302.5p.

This share price puts a value of £229m on the 80 per cent of Fleet which United does not already own and values Fleet's entire equity at £286m.

A major part of the Fleet's strategy, outlined in its document, is an attack on the management expertise of Mr David Stevens, United's chairman, and Mr Gordon Linacre, the managing director.

Mr Ian Irvine, Fleet's managing director commented: "There is no evidence Mr Stevens has run a significantly-sized business apart from an investment house. Mr Linacre has run a regional newspaper group."

Mr Irvine cast doubts on United's ability to reduce overmanning in Fleet's operations by 20 per cent, a figure United has indicated is necessary.

Mr Ian Irvine, managing director of Fleet Holdings

"How are they going to achieve a 20 per cent cut without confrontation?" Mr Irvine said. "How is it that Rupert Murdoch and Robert Maxwell have not achieved that? We believe in a proces of technological change but it won't take place overnight. The trick is to keep the newspapers on the street and make profits."

Fleet said that Morgan-Grampian, its magazines subsidiary, had increased its market share in the areas in which it operates to 36.2 per cent in the first half of 1965 from 33 per cent in 1982. It claimed market leadership in 21 of the 31 markets in which it operates.

It pointed to the 22.2 per cent share the Daily Express and The Star have of the national newspaper market compared with the 17 per cent held by the Express alone in 1977.

Fleet's national newspapers moved from a loss of £2.1m in the nine months ended June 1982 to a profit of £10.6m in the year ended June 1985.

Fleet denied it had not developed new initiatives in the three years since it was floated off from Sir Nigel Broackes' Trafalgar House group, saying it had seen the potential to float Reuters as a public company and also taken an active role in reviving TV-am.

It dismissed United's regional newspaper operations as showing declining sales and its magazines as being in declining markets. Taking away recent acquisitions, profits had fallen at United's original activities.

Operating profit at Fleet rose to £23.3m in 1985, against £17.3m the year before, on turnover which increased to £366m (£324m). Profit of the national newspapers rose from £6.46m to £10.56m while magazines increased profits from £9m to £10.79m.

Earnings per share, before extraordinary items and excluding the profit in 1984 from the sale of some of Fleet's Reuters shares (for a total of £4.6m), rose to 20.1p (14.07p).

Fleet proposes paying a final dividend of 5.5p to take the total dividend to 8p compared with 5p previously.

See Lex

L & G hit by losses on general insurance

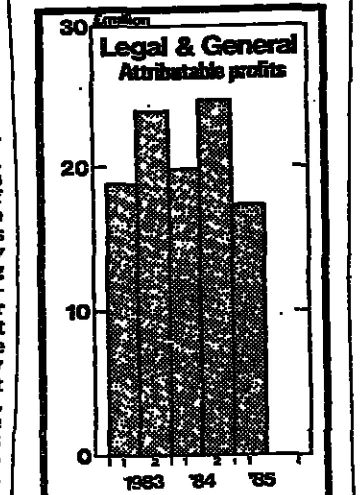
A FALL of more than 21 per cent in pre-tax profits from £25.3m to £19.9m was experienced by the Legal and General group, Britain's second largest life company, in the first six months of 1985.

A significantly lower tax charge helped to soften the blow, and reduced the decline in attributable profits to 14 per cent to £17.3m. Earnings per share slipped from 13.07p to 11.28p.

The interim dividend is being lifted by 13 per cent from 7.5p to 8.5p.

Profits from long-term life and pensions operations showed a steady increase of 8 per cent from £26.4m to £28.5m, while profits from fund management rose from £2.9m to £3.3m. Profits from the group's linked business continued to expand, and more than doubled from £500,000 to £1.2m.

Non-linked life business profits also showed steady growth from £10.9m to £12.6m, but pensions business only marginally improved by £300,000 to £7.3m, reflecting effects of the recession in the UK.



Overseas life profits declined slightly with U.S. life profits dropping from £5.9m to £5.3m and profits in Australia falling marginally from £1.6m to £1.5m.

However, L and G's general insurance business was hit hard over the period, particularly in the UK—its main operating territory. Total pre-tax losses rose from £5.7m to £13.5m after underwriting losses had swollen by £10.5m to £28.8m.

Premium income on general business in the UK rose 16 per cent to £80.2m. But the severe weather in the early months of the year sent underwriting losses climbing to £16.2m.

L & G is a major insurer of house structures in the UK and the winter weather cost it £10m in claims. Subsidence i san ongoing problem and cost a further £5m. The net result produced underwriting losses on the property account of £12.2m, against £7.8m.

The company was also hit by rising claim numbers on its motor account. Underwriting losses increased from £2.3m to £4m on premium income up from £14.4m to £16.3m.

Underwriting losses on other UK business doubled from £2m on premium income up £800,000 at £8.4m.

● comment

The market, having experienced some very poor figures from the other insurance groups, was prepared for the worst from Legal and General. So analysts were pleasantly surprised that pre-tax profits had declined by no more than a fifth. The general insurance losses were not as high as feared, despite the bad winter in the UK and higher reinsurance losses. Any disappointment comes from a lower than expected growth in life prifits. Pensions business in the UK has stagnated from the recession and so has profits. In contrast, business is booming for the US subsidiary, Banner, thereby imposing an itital strain and cutting profits in the short term. However, the outlook for the rest of the year is encouraging. Pensions business should pick up as the recession ends. Life business is growing steadily and the U.S. will soon bring profits growth. Premium increases in UK house insurance, with further planned should cut losses at least in 1986. The share price rose 25p to 670p reflecting the market's relief at the results. The yield is 5.4 per cent on a prospective dividend, up by 16 per cent on last year to 25p.

Utd. Biscuits moving into olive market via £55m U.S. deal

BY DAVID GOODHART

United Biscuits, the largest biscuit manufacturing group outside the U.S., has bought the olive division of Early California Industries (ECI) for "not more than" $73m (£54.8m).

The olive division made a profit in the year to March 31 1985 of just over $10m on a turnover of about $20m. The net assets are estimated at $50m.

The sale appears to have been prompted by ECI's heavy debt liability—the result of severe competition in its rice and wine divisions. But the olive market is growing by about 2 per cent a year according to United and profit growth of about 10 per cent is hoped for.

Early California Olives, which will become part of United's U.S. subsidiary, Speciality Brands, markets both black and green olives. It claims about 28 per cent of the black olive market and 8 per cent of green.

Cash forms £25m of the deal and the rest involves a vendor placing with ECI being allocated 18.2m new ordinary shares in United worth about £30m. They were yesterday placed with clients of Morgan Grenfell (United's financial advisers) and brokers Rowe and Pitman and Wood Mackenzie at 166p per share. United's share price yesterday fell 3p to close at 176p.

Mr Alistair Clarke, United's group treasurer, said yesterday that the olive company was "a good business within the speciality food business" and should provide considerable opportunity for cutting costs. The existing management would be staying with the company. Only about $2m to $3m of debt was expected.

United's previous diversifications in hte U.S. have not all been successful but most analysts agreed yesterday that this acquisition represented a sound, if unexciting, move.

Mr Michael Landymore, of Henderson Crosthwaite, added that the timing was not particularly good "while the company still has to come to grips with some of its underperforming assets."

Earlier in the year United announced a £98.2m rights issue. The vendor placing will further increase its total share capital by about 5 per cent.

The cookie war in the U.S.—principally with Nabisco and Proctor and Gamble—continued to dent United's half yearly figures announced last week. Pre-tax profits were up from £34.6m to £36.3m and turnover increased from £847.1m to £962m. UK turnover was £498.8m and North American was £462.7m.

See Lex

Utd News in £5m CTN deal

By Frank Kane

United Newspapers yesterday announced a £4.8m cash purchase of the retail newsagent division of fellow provincial newspaper chain EMAP, formerly East Midland Allied Press.

The acquisition is the second significant move into the confectionary, tobacconist and newsagent (CTN) business which United has made in just over a year. In June 1984 it bought the Mills (North British) chain of CTN outlets.

The current acquisition, which traded under the name of Readwell, comprises 48 CTN retail shops and 13 shops trading as Gallery Cards. It made profits of £272,000 on turnover of £13.8m in the year to March 1985, and Mr Graham Wilson, finance director of United, said yesterday that he hoped to improve on those margins.

Mr Robin Miller, EMAP's chief executive, said that Readwell had been the subject of a number of enquiries over the past few years, and the group decided recently to concentrate on the mainstream publishing activities. It is understood that EMAP approached United towards the end of last month with a view to selling the chain.

The United shops division is trading well following the intergration of the Mills outlets, which were bought as loss-makers and turned round to profit within three months.

The purchase price compares with a book value of £1.45m for the assets at March 30.

Somportex loss

As forecast last January, pretax losses were suffered by Somportex Holdings confectionery distributor for the year ended April 30 1985.

For the 12 months turnover was unchanged at £4.56m, while after an exceptional provision of £70,000 for costs of the anticipated disposal of a property lease, the taxable figure was £276,000. This is compared with a profit of £104,000.

Loss per 25p share is given as 7.07p, against earnings of 1.65p, after a tax credit of £78,000 (£58,000 charge).

Stewart Wrightson climbs 62% to £9.9m

REFLECTING insurance broking profits substantially ahead of the level achieved in the first half of 1984, Stewart Wrightson Holdings reports pre-tax profits up up 62 per cent from £6.12m to £9.89m in the six months to June 30 1985.

Profit on broking and agency interest rose from £5.86m to £9.13m, and insurance companies' profits were also ahead of the 1984 level at £672,000, compared with £482,000.

Following the disposal of Pulbrook Underwriting Management at the beginning of the year, the Lloyd's agency interests are confined to Stewart Wrightson Members' Agency. The contribution of that company to group profit for 1985 will not be significant, say the directors.

The interim dividend is raised from 4.2p to 6.3p to reduced disparity, and the final dividend will be decided in April in the light of the full year's trading results. Last year a final of 13.8p was paid from pre-tax profits of £13.83m.

Commenting on the first half figures, Mr David Rowland, the chairman, says the group benefitted from a very firm insurance market which contrasted with conditions in the first half of 1984; currency factors also worked to the group's advantage. He adds, however, that circumstances are unlikely to be as favourable in the second half.

In his last annual report, he indicated that there might be problems in finding capacity to absorb risks. His comments have been fully justified and capacity has contracted dramatically, preventing the group from placing some of the business on offer. This is particularly the case with North American casualty business, where the group has a strong position.

Therefore, he says, he would not expect the group's income to grow as rapidly in the second as in the first.

The rate of growth in expenses is unlikely to moderate. In common with all other insurance brokers, there has been a very significant increase in the cost of the company's professional indemnity insurance.

Group turnover from broking and agency interest rose from £31.91m to £39.48m. Trading expenses were up from £29.17m to £34.92m, leaving trading profits at £4.56m, compared with £2.74m. Investment income, less interest payable, amounted to £4.01m, against £3.08m, and share of results of associated companies was £559,000 (£44,000). Income from fixed asset investment was down slightly from £603,000 to £584,000. Central costs were reduced from £827,000 to £491,000.

Tax took £3.82m (£2.73m) and after minorities of £159,000 (£69,000) and an extraordinary credit of £1.37m (£812,000), being net profit on disposals and closures after tax, attributable profits came out at £7.22m (£4.14m). Stated earnings per 20p share before extraordinary items improved from 15.28p to 26.95p (basic).

The net profit on disposals in 1985 includes a profit of £900,000 from the sale of Pulbrook, and profit of £776,000 resulting from the reduction in the shareholdings in Nasco Karaoglan Group and Crest (Insurance Holdings).

● comment

Stewart Wrightson's results make Sedgwick's and Willis Faber's look pretty tame by comparison and its management deserves full credit for the efforts it has made over the last few years to put the group in a position to deliver such enviable figures. That said, the chairman is right to express caution over the second half since a number of factors are clearly going to limit profits growth. The business inquiry rate is no problem but placing the business with today's capacity shortages is another matter entirely. Staff and equipment costs are being driven up by the necessity of having high quality in both to deal with the market conditions. And currency factors, which acted very much in the group's favour in last year's second half, are unlikely to do so again this time. If there is only slight growth for this half, the full-year figure is going to be around the £18m mark, putting the shares, up 14p yesterday at 652p, on a prospective p/e ratio of nearly 14 after a 40 per cent tax charge. At that level they appear to be well up with events.

Security printing leaves Bemrose in red

CAUSED MAINLY by problems in the security printing business—now set on a recovery path—Bemrose Corporation, specialist packaging and printing group, suffered taxable losses of £728,000 for the first six months of 1985, compared with profits of £261,000.

The directors, however, look forward to a profit recovery in the second half, continuing into 1986 and beyond.

They had forecast, at the annual meeting, that the company would return to profitable trading in the second six months; operating performance for the second quarter strengthens the directors' belief that this anticipated recovery will take place.

Turnover advanced from £23.83m to £30.4m for the first half. There was an operating profit of £99,000 (£582,000) after an exceptional debit of £520,000 covering the costs of reconstructing the security printing division, while much higher interest charges, up from £321,000 to £827,000, took the pre-tax figure into the red.

After £139,000 tax charge, against £219,000, loss per share is given as 7.57p (0.32p earnings).

While the interim dividend is cut from 4.4p to 1p net per share, the directors say that a decision on the amount of the final payment will depend on results for the second half, and prospects for 1986.

The directors point out that implementation of the security reconstruction plan has meant a reduction in manpower and a complete overhaul of operating and administration procedures in order to reduce both direct and overhead costs. As a result, they state, the cheque printing business has been restored to profitability.

The dispute with Spesi SA, in connection with the supply of an earlier text processing system, has not been resolved. Pending settlement it is not practicable to establish with reasonable accuracy the ultimate financial effect of any payment or cost recovery relating to the claim from Spesi or the counterclaim from the company, the directors say.

The company continues to perform well within its other security printing markets, they add.

In the competitive packaging market, margins continue to be squeezed. However, as a result of the heavy capital investment over the last few years, "we have one of the most modern and efficient flexible packaging and engraving plants in Europe," directors state. And the benefit from this has come through with an improved profit in comparison with both halves of last year, they say.

Bemrose Cartons has continued to trade profitably but, though both its factories have had a busy first half, the company has not been able to improve margins in markets which are characterised by over capacity.

Expectations are that Bemrose Calendars and Diaries will achieve another good set of results for the full year. The complementary advertising products business is making a useful contribution to the division's profits.

The Souvenir Group, in the U.S., has had an excellent start to 1985, well ahead of both last year and budget, and the company has high expectations for the future.

The remaining activities of the group have performed on or ahead of budget.

● comment

The dose of optimism in the chairman's statement did little to counterbalance the effects of another dismal set of results from Bemrose and the shares edged down to 128p compared to a high of 235p before the technical problems started to surface last year. Perhaps those problems are now over at last, and perhaps, following the loss of about 90 jobs, the security printing division is every bit as efficient as its competitors. However, the market will want some firmer evidence of recovery before re-rating the shares, and in the meantime may not take kindly to news that margins are "not satisfactory" in the packaging business, and to signs that diaries and calendars are performing at roughly last year's levels. Partly as a result of rationalisation costs gearing is higher than 65 per cent and at the current rate could be heading for 80 per cent by year end. Desperate for cash, Bemrose can ill afford to lose the current legal dispute with Spesi SA over the supply of a text processing system. Profits this year may be about £500,000, and if all goes well about £2.5m next year, still short of the 1983 outturn. The shares might be lower were it not for the hope that the company might get taken over.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aerospace Engineer ...	1.2	Nov 6	1.63	2.4	3.25
Britannia Arrow ...int.	1.2	Nov 15	1.1	—	2.5
British Syphon ....int.	1.25	Nov 5	1*	—	2.4*
Cakebread Robey ...int.	0.8	Jan 6	0.8	—	3.1
Cooper Inds. ....int.	0.4‖	Jan 6	0.3	—	0.75
Cussins Property ...int.	2.4	Nov 30	2.4	—	6
Delaney Group ......int.	0.8	Nov 22	0.8¶	—	2.2¶
Fleet Holdings	5.5	—	3.25	8	5
J. Hewitt ....int.	0.4	—	0.4	—	2.4
Iceland ....int.	2.2	Nov 22	—	—	—
Jones & Shipman ...int.	1.15	—	1**	—	2.75**
Legal & General ...int.	8.5	—	7.5	—	21.5
Lowe Howard ....int.	2	Nov 15	—	—	2.6
Hugh Mackay ....int.	1.4	Nov 15	1.4	—	4.6
Manson Finance	0.88	—	0.5	1.5	1
Paul Michael‡ ....int.	Nil	—	Nil	—	1.25
Owen Owen ....int.	1.25	Dec 2	1.00	—	3.8
Steel Burrill‡ ...... int.	4‖	Nov 8	1.5	—	7.5
Stewart Wrightson ...int.	6.3‖	Nov 1	4.2	—	18
Telemetrix	1.15	Dec 16	0.9	1.75	1.4
James Wilkes ....int.	3	—	1.2*	—	4.8
Woolworth† ....int.	3	Nov 8	1.75*	—	7.75*

Dividend shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock ¶ For 14 months. ‖ To reduce disparity. ** Includes special 0.5p payment.

Slow economic recovery hits Cussin's profits

The slow recovery of the general economic situation in the North-east of England following the miners' strike, is one of the principal reasons for Cussins Property group's pre-tax profits falling from £824,000 to £345,000 in the six months to June 30, 1985.

Despite this however, the interim dividend is maintained at 2.4p per share — last year a total of 6p was paid from pre-tax profits of £1.32m.

Another contributing factors to the downturn in profits is that the director's systematic review of the commercial property portfolio resulted in only one small disposal, says Mr P. I. Cussins, the chairman.

Profit margins in the residential sector fell by 5 per cent because, while house prices in the North-east remained static, building costs increased. The gradual imporvement in consumer demand for its properties has continued, albeit more slowly than anticipated. Mr Cussins says reservations are now at a high level.

The board anticipates the completion of a record number of units in the second half, although at the current reduced margin.

Commenting on the group's commercial division, he says annual rental income receivable will exceed £1m for the first time this year. He reports "excellent progress" on two major schemes under construction in South-east London and at Newcastle-upon-Tyne.

The residential divinsion is expected to produce a greater contribution to profits in the current half year than in the first six months, and the prospects for the commercial division are also encouraging.

Stated earnings per 20p share fell from 10.64p to 6.29p in the opening half.

Cocksedge calls in receivers

By Martin Dickson

Cocksedge (Holdings), a loss-making Ipswich-based engineering company with about 180 employees, has called in receivers.

The directors said their reluctant decision had been taken in view of "the continued lack of profitability and high level of debt, and after the most strenuous efforts have failed to find a buyer for the business as a going concern."

Cocksedge makes mechanical handling equipment—much of it for the sugar industry—and is also involved in structural engineering. It has been losing money for the past five years, though its half-year figures to September 30 last year showed a reduction in pre-tax losses from £152,000 to £88,000.

Its shares were suspended on Tuesday at 36p, giving the company a market capitalisation of £500,000.

Mr Bill Roberts of Ernst and Whinney, the joint receiver, said he would try to find a buyer for the business as a going concern and he had had some inquiries yesterday. However, he was not able immediately to put a figure on the company's debts.

Mr R. F. Atkinson, who has been chairman of Cocksedge since May, holds a stake of about 17 per cent in the company, with around a further 15 per cent believed to be held variously by investors Stephen Lofthouse, Christopher and Linda Knight and Knight City Securities.

LADBROKE INDEX
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UK COMPANY NEWS

B & Q's popularity helps lift Woolworth to £7.5m

THE GROWING popularity of B & Q stores among DIY shoppers has made an impact on Woolworth Holdings' results for its traditionally quieter first half.

This, together with substantially reduced losses at the F. W. Woolworth retail chain, enabled the group to turn in a £7.5m profit, *before exceptional* items, against £600,000, for the period *to* August 3, 1985.

Mr John Beckett, the chairman, *said* the results were in line with expectations and "we look for continued growth in B & Q and the traditional surge in trading for Comet and F. W. Woolworth in the run up to Christmas."

The second half last year produced a pre-exceptional profit of £56.2m, and market analysts currently expect this to rise to £77.5m this year.

First half earnings per share were *3.2p (0.3p) pre-exceptionals* and the interim dividend is being raised from last year's scrip issue adjusted 1.75p to 3p.

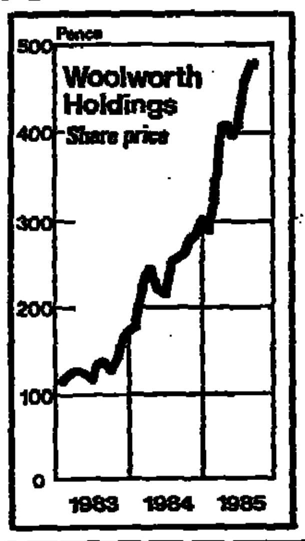
B & Q, which notched up a £4.3m rise to £16m, maintained profit margins in the first half and is poised to increase its number of out-of-town stores *from 160 to 175 or 180 at the* year-end.

Its popularity has improved substantially over the past four years according to a recent survey of 2,000 adults published by Harris International Marketing. Its share of buying trips among all DIY retailers was the highest at 10 per cent.

● B & Q was "continuing to grow at quite a healthy rate," said the chairman who was also looking forward to the prospect of Sunday opening at all of its stores. *"Their profits might* have been even better if they were opening *all stores on Sundays,"* he said.

● *Losses at F. W. Woolworth* were cut from £24.8m to £14.7m through "tighter housekeeping, the elimination of some unprofitable stores and turnover and a better product mix," said Mr Beckett.

● Mr Geoff Mulcahy, managing director, added that the emphasis *in the Woolworth chain was on* development rather than disposal *and "getting to grips* with the retailing issues."



DIVISIONAL ANALYSIS

	First half 1985 £m	First half 1984 £m
Turnover		
B & Q	193.7	142.2
Comet	119.0	57.4
Woolworth	454.3	464.7
Overseas	2.4	8.5
Total	769.4	672.8
Retail profit:		
B & Q	16.0	11.7
Comet	1.7	1.7
Woolworth	†14.7	†24.8
Other	†0.7	1.0

† Loss

He said the group's overall strategy was to focus on clearly identified retailing opportunities. B & Q and Comet, which was acquired last year, had clear *identities and at Woolworths* "we have identified a more limited number of target markets."

Comet, which had 175 stores at halfway and is quite dependent on Christmas trading, contributed an unchanged £1.7m to profits.

Group turnover for the first half *climbed* by £96.6m to £769.4m, but was entirely due to B & Q *and Comet which* accounted for an increased *£193.7m* (*£142.2m*) and £119m (*£57.4m*) respectively.

F. W. Woolworth's turnover was down from £464.7m to £454.3m, accounting for a reduced 59 per cent, against 69 per cent of the total. Woolworth had 780 stores in its main chain at the start of August and 82 superstores — 14 stores were closed in the first half.

Mr Mulcahy said the company was starting to split the stores *into new chains* and *had recently* opened a "Woolworth Mall" in *Reading*, a "*Woolworth* Weekend" at Hitchin concentrating more on leisure activities, and a "Woolworth General" at Dunstable with the emphasis on home products.

In addition, he said the company was still looking for acquisitions but stressed that "any acquisitions would be within our general concept businesses which have a clearly identified targeted market."

In May, the company *raised* £146m from a rights issue to help *finance the £75m earmarked for* B & Q's expansion, as well as the expansion and relocation programme for Comet and the revitalisation of F. W. Woolworth chains.

Property income in the first half fell from £24.6 m to £22.3m as a result of disposals and higher interest charges, up from £13.6m to £17.1m, reflecting higher borrowings for working capital and higher interest rates.

Exceptional credits were considerably reduced from £51.8m to £3.2m by the lower level of property disposals by the Woolworth chain, which gave a *pre*-tax result of £9.9m compared with *£52.4m*.

Tax was lower at £3.3m, *against* £15.6m, leaving an attributable balance of £6.6m (£36.8m).

See Lex

Active start for Lowe Howard

THE FIRST *six months of 1985* at advertising agent, Lowe *Howard-Spink Campbell-Ewald* (Holdings) have been very active *and this gives Mr Frank Lowe*, chairman, great confidence for the second half as new business begins to impact on group results.

On turnover down slightly from £24.57m to £23.95m, the chairman reveals pre-tax profits of £1.4m for the period, against a previous *£1.2m*, a *rise of* 15.7 per cent.

Mr Lowe's confidence of an "excellent result" for the whole year is reflected in an interim *dividend* payment of 2p net per share. This is compared with a *single distribution of 2.8p in* respect of 1984.

After tax of £628,000, against £619,000, earnings per share are given as 7.25p (5.8p).

The chairman explains that since being given a considerable amount of new work since the end of June—Lowe Howard has been appointed by The Mail on Sunday, the NCB Enterprise Board and the BBC—*the balance* of its business has changed from *last year and will* be *weighted* towards the second half of the year.

Clients this year include Eastern Airlines, to advertise its London-Miami route, Waitworths, the Festival of India, the U.S. toy retailer Toys 'R' Us, which is entering the UK market *this autumn*, and the *company* has been appointed to launch a new *liqueur, Misty*.

Mr Lowe says that 1985 also saw the company's first advertisements for Tizer and for Ideal Standard, clients won in 1984, and that significant further business has been gained from existing clients, "including Lloyds Bank which has appointed the agency to *handle* all of its advertising."

The chairman adds that, in the field of issue advertising, the group has been appointed to handle the corporate advertising of the Burton Group and has been retained by GEC to publicise its centenary next year.

Footwear importing side hits Paul Michael profit

A CONSIDERABLY worse performance from *its* footwear importing companies has reduced pre-tax profits from £178,000 to £85,000 at Paul Michael Leisurewear in the first half of 1985.

The group, which came to the USM *in* September 1984, is again paying no interim dividend. There was a single final payment of 1.25p in respect of the year to end-December from profits of £298,000.

The directors say that current trading in the footwear manufacturing and knitwear importing companies indicates that both should produce better overall profits *in 1985* but these will be offset by poor results *from footwear importing*.

They add, however, that group liquidity remains strong and they are continuing to seek suitable opportunities for expansion. Turnover during the six months was down at £3.15 (£3.64m).

As stated at the time of flotation, and repeated in the annual report, the closure of the *Romanian agency has meant* consolidating alternative sources of *footwear supplies*. This will take longer than anticipated, the directors now say, and will not show benefits this year.

After a lower tax charge of £35,000 (£82,000), net profits emerged down from £96,000 to *£50,000 for stated earnings* per share of .7p against 1.3p.

APG recovery continues

Further substantial recovery was achieved by the Allied Plant Group in the six months ended June 30 1985. Turnover has more than doubled at £5.3m against £2.67m and there is a pre-tax profit of £189,613 compared with a loss of £8,669.

Earnings per share are 0.68p (0.25p loss); there is again no tax.

The figures, the directors state, reflect the continuing and sustained improvement in the group's affairs and were not influenced by any acquisitions, although the group did take a controlling interest in a small *company, T and F Equipment*, during the period.

They *state* that market conditions generally continue to be difficult but the group has shown its ability *to* gain an increasing share of the various markets in which it operates, and to do so at improved profit levels.

Over the past two years Allied Plant has successfully completed a period of considerable rationalisation, coupled with some strategic acquisitions. The core businesses are now providing a firm platform for organic growth, whilst the directors continue to evaluate further acquisitions.

Jones & Shipman at £0.8m

Jones & Shipman, manufacturer of high precision machine tools, has nearly quadrupled its interim taxable profits from £201,000 to £770,000.

Turnover for the first six months of 1985 rose by £1.39m to £9.28m, generating a much higher operating profit of £749,000, against £204,000—the pre-tax result included interest credits of £21,000 (charges £3,000).

Earnings per share climbed from 1.7*p* to 6.3p and the *interim* dividend is 1.15p, compared with 1p which included *a special 0.5p* payment.

The directors say that the value of incoming orders to date is 25 per cent higher than the corresponding period of 1984 and orders on hand amount to about 4½ months work.

However, they say that a sound home market is vital to the machine tool industry and it is therefore of some concern that, based on recent UK manufacturers estimates, investment in capital goods during the next 12 *months is not* expected to rise over the current subdued level.

Despite this, they say that with the lively interest in the *company's new products a greater* share of the overall market can *be obtained*.

Public Works Loan Board rates

Effective September 18

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11	—	—	11½
Over 1, up to 2	11	11	10¾	12	12	11¾
Over 2, up to 3	10¾	10¾	10¾	11¾	11¾	11¾
Over 3, up to 4	10¾	10¾	10¾	11¾	11¾	11¾
Over 4, up to 5	10¾	10¾	10¾	11¾	11¾	11¾
Over 5, up to 6	10¾	10¾	11	11¾	11¾	11½
Over 6, up to 7	10¾	10¾	11	11½	11¾	11½
Over 7, up to 8	10¾	10¾	11	11¾	11¾	11½
Over 8, up to 9	10¾	10¾	11	11¾	11¾	11½
Over 9, up to 10	10¾	11	10¾	11½	11½	11½
Over 10, up to 15	11	11	10¾	11½	11½	11½
Over 15, up to 25	10¾	10¾	10¾	11½	11½	11½
Over 25	10¾	10¾	10¾	11¾	12	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Profits nearly double to £10m mark at Britannia Arrow

NEARLY DOUBLED pre-tax profits of £10.05m, against £5.27m, were achieved in the first six months of this year by Britannia Arrow Holdings. Earnings per share rose from 2.3p to 4.3p—an increase of nearly 90 per cent.

Additionally extraordinary profits rose by more than 40 per cent from £4.19m to £6.05m, giving earnings per share of 8.3p against 5.1p. *The interim dividend* is being increased from 1.1p to 1.2p.

Turnover, excluding banking and insurance, was down on the period from £290m to £266m.

However, the UK and international investment management divisions increased profits by 86 per cent to £7.1m. The benefits anticipated from the reorganisation of the Denver-based Financial Programs are now being seen.

The banking subsidiary, Singer and Friedlander, continued to make progress and contributed £5.19m, against £1.47m.

Profits from the life subsidiary are only included in the full year's figures after an actuarial valuation. The new offshore subsidiary, NEL Britannia International Assurance, was launched in January and sales have exceed expectations. Late this year will see the launch of the onshore linked life company, NEL Britannia Assurance.

Development costs have been written off as an exceptional item in the half year's figures.

Interest charges rose from £2.14m to £3.01m, reflecting the group's expansion in recent years. During 1985 the investment in London Trust was realised for £15.8m, and was used to effect the early repayment of medium-term loans.

● comment

For all the brouhaha surrounding the placing of BT shares by Singer & Friedlander, these were as respectable a set of figures as one would expect from Britannia's comfortable new address. While the figures are flattered in comparison by the inclusion of a full period from Singer, Britannia is clearly making good progress on its unit trust side: UK profits of the best part of £3.9m display *not so much a sturdy market for* new products as the skilful management of the jobbing book. Although the stock-market background is likely to be less excit*ing in the second half, there* seems no reason why Britannia should not make £18m or more for the year—putting the shares on a prospective p/e of nearly 14 after a 3p rise in the price to 110p. Britannia is, however, unlikely to push its dividend too hard merely to please a large shareholder in the form of Guinness Peat.

Saxon stake in onshore well

BY FRANK KANE

Saxon Oil, on the eve of the first closing date of the offer from Enterprise Oil, announced yesterday that it has bought Enscot Petroleum, for £57,000 cash, from the ultimate owners Denison Mines of Canada.

Mr Edward Harris, of Saxon, said that it was still "business as usual" at the company. The main attraction for Saxon was the 12.5 per cent Enscot interest in an onshore well in Fyfe, Scotland. The acquisition will increase Saxon's interest there to 25 per cent.

Enterprise also announced yesterday that it had made further purchases of Saxon shares in the market at the offer price of 540p. A block of 200,000 shares were bought on Thursday, to give Enterprise a holding of 4.96m shares, or 22.19 per cent of the total.

The first closing date for acceptances of the £121m Enterprise offer comes at 3 pm today, with most analysts anticipating a close-run outcome. Enterprise shares closed at 176p, 2p ahead, while Saxon were unchanged at the offer price.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manu*facturing output* (1980=100); *engineering orders* (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1984							
2nd qtr.	102.4	100.4	107	110.2	130.1	3,026	154.0
3rd qtr.	102.3	101.3	106	111.1	133.3	3,076	165.1
4th qtr.	103.4	101.2	104	113.6	164.0	3,103	166.5
1985							
1st qtr.	105.7	102.4	102	112.6	133.9	3,138	157.5
2nd qtr.	107.7	102.7	100	114.9	141.4	3,174	169.5
January	105.2	101.8	98	111.6	134.4	3,124	157.2
February	105.0	102.1	107	112.0	130.2	3,144	156.1
March	106.8	103.2	102	113.8	136.5	3,147	159.2
April	107.7	102.6	101	114.1	140.3	3,176	166.7
May	107.9	102.0	110	114.6	142.0	3,177	167.1
June	107.5	103.6		116.0	141.8	3,169	174.8
July	106.4	101.5		116.1	146.9	3,175	179.7
August				116.1		3,182	179.4

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); *engineering output*, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
2nd qtr.	101.6	96.8	105.5	98.8	107.6	97.7	18.0
3rd qtr.	102.0	97.7	104.6	100.2	110.8	98.2	16.2
4th qtr.	102.5	98.3	106.1	99.7	107.3	99.4	13.3
1985							
1st qtr.	102.3	101.8	108.9	103.0	112.1	98.9	13.8
2nd qtr.	102.0	102.7	112.9	103.4	121.6	99.3	18.6
January	101.8	100.7	108.7	102.0	110.0	98.0	11.7
February	102.4	101.0	107.9	103.0	111.0	99.0	13.2
March	102.6	103.6	110.2	104.0	115.0	100.0	16.6
April	101.7	102.3	113.1	103.0	120.0	99.0	17.9
May	101.1	102.5	113.9	103.0	122.0	98.0	19.9
June	103.2	103.4	111.7	104.0	123.0	102.0	17.9
July	100.8	101.5	111.5	101.0	120.0	99.0	18.3

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
2nd qtr.	109.1	119.7	−1,171	−109	+1,543	97.3	15.51
3rd qtr.	109.9	122.7	−1,615	−363	+1,804	97.2	15.26
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.6	15.52
1985							
1st qtr.	120.5	128.5	−1,283	−535	+1,862	96.2	14.80
2nd qtr.	120.3	125.7	−222	+1,278	+2,361	97.9	14.11
February	123.6	127.5	−241	−12	+675	95.9	15.35
March	119.6	136.8	−977	−704	+260	96.3	13.53
April	121.5	129.7	−259	+242	+684	97.0	14.03
May	121.4	120.8	+252	+752	+835	98.0	13.98
June	118.4	126.9	−216	+284	+842	98.8	14.32
July	116.9	122.6	−56	+444	+693		14.26
August							14.26

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (*three months' growth* at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,876	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,813	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.05
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,082	12.50
January	5.0	9.0	13.6	16.3	823	1,168	14.00
February	3.1	−5.0	4.6	13.2	474	1,013	14.00
March	−1.3	−1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20.2	401	979	12.50
July	4.4	19.1	8.3	16.6	650		11.50
August					524		

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.8
2nd qtr.	170.3	138.6	139.4	375.3	339.4	278.13	78.9
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	295.08	78.0
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	172.0	136.7	139.6	376.4	340.1	278.13	79.9
July		134.0	140.0	375.7	335.3	259.51	83.6
August		132.9	140.2	376.7	335.3	254.34	81.6

* Not seasonally adjusted.

Bernard Matthews family sells 2.1m shares

By David Goodhart

MR BERNARD MATTHEWS, chairman of Bernard Matthews the Norfolk-based turkey, beef and lamb foods group, yesterday announced a surprise sale of 2.1m shares owned by himself and family trusts at 450p per share.

The move, which reduces the family control from 53.2 per cent *to 40 per cent, will net about* £9.45mb. Mr Matthews' beneficial interests in the company have been reduced from 8.48m to 6.37m. The share price rose 15p *on the news to close at 495p*—possibly on the grounds that the sale, mainly to institutional investors, increases the likelihood of a take-over bid at some point.

The company has just announced a boost in turnover for the 28 weeks ended July 14 1985 from £44.7m to £56.88m and a pre-tax profits rise from £1.02m to £6.28m.

Mr Matthews said yesterday that in view of the substnatial increase in the value of the family holding—the share price was as low as 283p earlier in the year — it had been deemed prudent to diversify part of the investment.

A statement from the company added: "This diversification will not alter the commitment of Mr Matthews to the company. He has given an undertaking that, for a period of at least 18 months from September 18, he will not dispose of any further shares."

Public buys 10% of NHLC issue

The National Home Loans Corporation's offer for subscription of 500,000 units of shares and convertible loan stock drew applications for about 10 per cent of the units from members of the public, Hongkong Bank announced yesterday. These applications will be met in full.

The offer was in units comprising 100 ordinary shares and £100 nominal of 8 per cent convertible unsecured loan stock 2005 at a price of £200 a unit, with £100 payable on application and the rest on a date between January 1 and September 30 next year.

Financial institutions undertook to apply for all of the units and were guaranteed 75 per cent of them plus the balance of those not applied for by the public. Some 2,887 applications for 550,105 units were received and the institutions will receive about 90 per cent of the shares.

Profit warning cuts 25% off Bespak share price

BY MARTIN DICKSON

THE SHARE price of Bespak, a manufacturer of aerosol valves, fell by more than a quarter yesterday when the company announced that its first half results were likely to be seriously affected by a trade dispute which had halted its sales of fire extinguishers.

Bespak, which set up a fire extinguisher business earlier this year, said that sales of this pro*duct had been handled* through a UK company—not named—with which it was now "in serious dispute."

In a statement to the AGM, it added that sales had been halted and "may result in the need to provide for the possibility of a significant bad debt." Bespak expected this to be a temporary situation, but it was likely to seriously affect the first half results.

The company, which recorded *pre-tax profits of £3.27m in the* year to May, said that the outcome of the current year would depend on a number of factors, including a return to fire extinguisher sales.

While it hoped to achieve record profits in the second half, the chances of reaching the 1984-85 results for the year as a whole were no longer realistic. Its *shares closed last night* at 180p, down 65p on the day.

The company also announced substantial borad changes yesterday, though Mr Andrew Schumann, the managing director, said those had been in the pipeline for some months and had no connection with the fire extainguisher problems, which were "very recetn."

Mr Bob King, currently deputy chairman and non-executive director since November, is to become chairman and chief executive.

The present chairman, Mr Roy Dexter, is retiring, while Mr Schumann *is stepping down* as managing director to take up a new career in the arts. However, he will remain on the board and spend about 20 per cent of his time on Bespak business.

It was also disclosed yesterday that another director, Mr Michael Schumann, disposed of 50,000 Bespak shares on September 5 at a price of 225p a share. Mr Michael Schumann and Mr Andrew Schumann between them hold about 4m shares in the company, some 30 per cent of its equity.

Bespak, which went public in 1982, has been trying to diversify away from its past heavy dependence on one customer, Glaxo, which last year cut back drastically in its demand for valves for its drug Ventolin.

Bespak said yesterday that it had made progress in reruçing reliance on Glaxo, with sales of catheter valves increasing as planned and with the obtaining of an underwriters' laboratories approval in the U.S. for its first *range of fire extinguishers.* It felt it had established the basis for a "new phase of controoled growth."

Optimism at Iceland as profits rise by 17%

Iceland Frozen Foods Holdings, an expanding retailer of frozen foods, based on *Deeside*, Clwyd, increased pre-tax profits by 17.5 per cent in the six months to June 29, in line with its expectations.

The rise, from £1.46m to £1.71m, was on turnover expanded by 26.3 per cent to £36.68m against £29.05m.

The group, which went public in October 1984, is paying an interim dividend of 2.2p (nil).

Mr Malcolm Walker, chairman, says he is confident that the full-year results will show a satisfactory increase on last year's pre-tax profits of £2.97m in spite of the poor summer which has affected the sales of ice-cream and allied products.

By the end of the year, he says, the group will have opened 16 new stores, including three relocations.

Operating profits were up to £1.76m against £1.61m and there was an interest charge of £46,000 (£155,000). Tax took £214,000 (£75,000). Earnings per 10p share were 10.2p against 9.62p.

● comment

Iceland Frozen Foods does it right—or so the company motto and the buoyant share price would seem to suggest. Comparing this interim result with that of 1984 is misleading. The poor 1983 harvest pushed up fresh vegetables and meat prices sharply in the first half of 1984. This gave the frozen food retailers a clear edge and allowed IFF to increase its *operating* margin to 5.5 per cent. This is a more normal year and the margin on sales at the end should stay around the 4.8 per cent struck at the midway point. Gains are therefore to come from new stores and this year will see 16 added to the starting 78. The group seems content to concentrate *around the M5 and M6* motorways given that its heart lays on Deeside. The major investment in a new cold storage centre now looks likely to be postponed till next year which should keep the capital spent around £6m and containable within cash flow. When it was *floated in October, IFF* was 113 times subscribed and the virtual tripling of the shares to 600p from the offer level of 210p justifies this degree of investor enthusiasm. This year IFF should make £3.7m pre-tax on a 12.5 per cent tax charge has the shares still with some upward potential *on a prospective p/e* of 27. And this year's harvest news ought clearly to be watched with care —initial reports have it as poor but not as bad as 1983's.

A & M Hire buys 14.4% of Promotions

A. & M. Hire, a furniture hire contractor to the TV industry, has agreed to buy a 14.4 per cent stake in Promotions House, which specialises in consumer promotions, and the two companies have begun talks on a possible merger.

A. & M. is buying its stake for £990,000 (27.5p a share) from London Securities, with completion taking place on September 27.

A. & M. said it believed a merged group would be able to provide clients with marketing, promotional and sales expertise, *which would form* a base from which further acquisitions in the media industry could be made.

Promotions which is quoted on the USM, yesterday reported pre-tax profits up from £138,000 to £231,400 in the first half. Earlier this year it acquired Bonusbond Holdings, which devises promotions and employee incentive schemes. A. & M. Hire, another USM company, reported taxable profits of £741,108 (£705,932)

On completion of yesterday's share deal, Mr David Pearl, a director of London Securities, will resign from the board of Promotions.

COMPANY NEWS IN BRIEF

STEEL BURRILL JONES Group reports an increase of 75 per cent from £884,000 to £1.54m in pre-tax profits for the six months *to June 30 1985.* The interim dividend is raised from 1.5p to 4p net—a one-for-one scrip is also proposed.

JAMES WILKES' *interim dividend* is 3p per share (1.2p adjusted) for six months to June 30 1985. Turnover was £1.53m (£2.62m) and pre-tax profit £515,000 (£258,000). Earnings per share were 8.15p (6.8p).

J. HEWITT AND SON (FENTON) has declared an interim dividend of 0.4p per share (same). Turnover was £5.40m (£2.8m), operating profits £192,000 (£26,000). Pre-tax profit for the half-year to June 30 1985 is up from £28,000 to £190,000 after interest of £2,000 (£4,000). Earnings per share are 2.6p (0.2p). Chairman is confident that results for the full year will be an improvement on those for 1984 when they were £541,000.

WESTWOOD DAWES has made a pre-tax profit of £62,000 in the six months to June 30 1985 compared with a loss of £113,000. Earnings per share are 1.71p on a weighted basis (loss 8.95p). Turnover was down from £890,000 to £667,000.

BUSINESS COMPUTER SYSTEMS, has lifted pre-tax profits from £55,000 to £67,000 in the first half of 1985, on turnover ahead at £4.21m (£3.88m). There *was no tax this time against* £16,000, and net earnings per share came through higher at 1.1p (0.7p). This USM-quoted company is changing its year end from December to March.

MANSON FINANCE TRUST proposes a final dividend of 0.875p, making 1.5p (1p). Taxable profits for the year to June 30 1985 were £1.3m (£961,000) and earnings per share were 2.8p (2.6p).

CAKEBREAD ROBEY & CO., builders' and timber merchant, has announced pre-tax profits down from £335,000 to £240,000 for the half year to end-June 1985, on turnover up from £9.67m to £10.52m. The interim dividend is held at 0.8p, covered four times by stated earnings per 10p share of 3.3p (2.9p).

A.T.A. SELECTION pre-tax profits rose from £256,000 to £276,000 for the first half of 1985 on turnover of £1.31m (£1.1m). *After tax of £113,000 (£127,000)* earnings are shown as 1.75p (1.38p) per share. Results are shown as if group structure, as currently constituted, existed throughout these periods.

EVERED HOLDINGS, which holds a total of 20.1 per cent of T.I. and is widely expected to make a bid for the engineering group, yesterday announced that it has directly acquired 4.25m shares (7.1 per cent of TI) previously held by Evered's financial advisers Robert Fleming. Evered is expected to make an interim profit announcement next week.

EQUIPU's shareholders at the AGM were told by Mr Philip Bradshaw, the chairman, that the company was confident that it would see growth in the second half of the year. Regarding acquisitions he said negotiations had reached an advanced stage

HOWARD MACHINERY shareholders' have approved at an EGM a capital reconstruction *plan that will allow for the con*version of outstanding bank borrowings into equity, and expand the company's borrowing limits. A proposed name change to HM Holdings was also approved. Mr George Hill has resigned and is to be replaced by Mr D. M. Saunders.

YEARLING BONDS totalling £3m at 11$\frac{7}{8}$ per cent redeemable on September 24, 1986, have been issued this week by the following local authorities: Tweedale District Council £0.25m: Bury Metropolitan Borough Council £1m: Preseli DC £0.25m: Tendring DC £0.5m: Cynon Valley (Borough of) £0.5m: Cleethorpes Borough Council £0.5m.

DELANEY GROUP's pre-tax profits for the half-year to June 30 1985 were £268,000, compared with £238,000, for the corresponding period of the previous year, with turnover up from £3.39m to £3.68m. The figures do not include any proceeds from the sale of the High Wycombe property of £505,000, contracts for which were exchanged on June 30 1985. Chairman states that demand for the group's products has consinued to grow throughout 1985 and order book levels are substantially ahead of this time last year. However, output in July and August, while ahead of last year, was below budget and is *likely to be reflected* in the results for the current half year. After tax, £108,000 (£64,000), earnings per share were 1.6p (1.73p). The interim dividend is maintained at 0.8p per share—last year's 2.2p total was for 14 months to December 31 1984.

BELGRAVE HOLDINGS more than doubled its pre-tax profits in the six months to June 30 last. At £1.53m, including "a useful contribution" from the Albert *Frost printing subsidiary* acquired from GEC last May, they compare with the £752,000 for the corresponding period of the previous year. The company proposes to follow the same dividend policy as last year and will consider payment of one dividend when the figures for the whole of 1985 are available. The 1984 payment was 4.2p per share.

STANLEY LEISURE Organisation, the privately owned book*making and casino business* headed by Mr Leonard Steinberg, has disclosed a holding of 690,000 shares, or 7.67 per cent, in Rex Williams Leisure, the USM-quoted manufacturer and distributor of snooker tables.

AEROSPACE ENGINEERING proposes a lower final dividend of 1.2p per share (1.625p) making a total of 2.4p per share (3.25p).

Turnover was up from £11.51m to £12.95m, and pre-tax profits were £714,000 (£448,000) for the year to April 30 1985. Net earnings per share were 3.81p, against 3.14p.

UK COMPANY NEWS

Telemetrix soars 89% to record £4.7m

Telemetrix, a designer and manufacturer of advanced electronic products, including computer graphics display terminals, raised pre-tax profits by 89 per cent to a record £4.74m in the year to July 7 against £2.51m last time.

Turnover almost doubled from £10.26m to £20.18m.

Mr Roy Cole, chairman of the company, based in Tewkesbury, Gloucestershire, says he is delighted with the result after the difficulties of last year.

After going public in October 1983, Telemetrix admitted it would not achieve its profit forecast of £3.2m for 1983/84.

But, he says, this year's expansion has progressed as planned and, as expected, a higher proportion of profits was earned in the second half.

The final dividend is 1.15p (0.9p) per share, making a total of 1.75p (1.4p) a share.

He predicts another year of growth although, he says, the benefits of the company's new capacity will not be fully realised for some months. Like this year, he expects second-half results to be better than those for the first.

At the same time, he says, the company will seek opportunities to acquire complementary business.

• comment

In common with the sector Telemetrix's shares have wilted this summer as the leaders and tiddlers in electronics have bombarded the City with a stream of dispiriting announcements. The glamour may have gone and group's market worth has fallen by a third but at least yesterday's results are better than most had expected. There was a burst of sales in the final quarter—throughput was more than the whole of the previous year—which represents some pipeline filling by big customers. That throws a shadow over the current six months and the next set of interim figures may look on the dull side. Even so the group could still make £6¼m pre-tax which would drop the prospective p/e to 13 at 258p—modest even if the sector is covered in worts. That has to be a fairly cautious forecast at this stage and it assumes an absence of acquisitions although a deal before the end of the year would be no surprise. The management is looking for something complementary to Westward which could take it towards a broader "work station" product. And the prospect of a rights issue is still there. Gearing was 24 per cent at the year end, is now 35 and heading towards 50-60 per cent by the year end. Equity funding looks probable at some point in 1986.

Cooper Ind rises 52% to £0.47m

Cooper Industries has achieved an increase of 52 per cent in pre-tax profits for the six months to end-July 1985, and the directors of this Wolverhampton-based steel re-roller, precision engineer and tool distributor, expect the full year's result to show further progress.

Pre-tax profits rose from £312,000 to £473,000 during the half year, on an improved turnover of £13.84m (£10.38m).

The directors are lifting the interim dividend from 0.3p to 0.4p to reduce disparity. Stated earnings per 10p share rose from 0.7p to 1.2p.

Due to late delivery the installation of Bromford's new hot mill equipment was behind schedule, the directors say, but they expect the increased output and efficiency of this plant to show benefits in the future.

The pre-tax result was struck after net interest payments of £378,000

British Syphon on target with doubled first-half profits

VIRTUALLY doubled taxable profits are revealed by British Syphon Industries for the first six months of 1985, and are in accordance with directors' indications given in their annual review.

For the period ended June 30, on turnover expanded from £11.83m to £40.3m, profits rose from £613,000 to £1.2m. These figures were after interest charged, up from £214,000 to £1.1m, while profits were subject to a tax figure of £101,000 against £66,000.

Earnings are shown as 5.8p (3.6p) per share and the interim dividend is, in effect, lifted to 1.25p (adjusted 1p)—last year's equivalent total was 2.4p and taxable profits were £1.07m.

The directors say that efforts are continuing to improve the performance from each area of group activities, and they have every confidence for Syphon's future.

Commenting on divisional results, they say that the paper manufacturing sector made an "important contribution" to group profit but, as raw material costs and selling prices are more volatile in this industry than in many others, it is too early to draw conclusions for the year as a whole.

They add, however, that a longer term strategy has been formulated to improve the performance of this division in order to produce a satisfactory level of profit.

Paper merchanting activities also made an important contribution and, following a substantial reorganisation, efforts are in hand to achieve increased profits and an expansion of this business, the directors say.

The drinks dispensing division had a disappointing first half, directors state, partly as a result of poor weather, and made no contribution to profits. Because of the unsatisfactory trading climate directors are reducing their involvement in some of the less profitable areas of the business, "the benefits of which should soon begin to be seen."

The smaller businesses division has again performed well with almost all the companies producing an increase and directors say the trend should continue.

Hugh Mackay down 50%

Hugh Mackay, a carpet manufacturer and distributor, based in Durham, reports pre-tax profits 50 per cent lower at £80,000 for the six months to June 30 compared with £163,000 last time. Turnover was almost static, increasing from £6.47m to £6.72m.

Mr John Mackay, chairman, blames the slump on delays in final decisions over large contract orders, a problem to which he referred at the annual meeting in May, and exchange rate fluctuations.

However, he says the continuing development of non-woven carpet sales has been encouraging and the order book, coupled with the high level of inquiries, makes the company optimistic about the second half.

Earnings a share were down from 1.35p to 0.99p but the interim dividend is being maintained at 1.4p.

Tax charges were £33,000 (£89,000); minorities added £2,000 compared with a £7,000 debit; but there were no extraordinary items compared with a £285,000 credit last time. Attributable profits were £49,000 against £352,000.

St Ives Group to be floated by tender

BY LUCY KELLAWAY

St Ives Group, printers of colour magazines and books, is coming to the stockmarket through an offer for sale by tender by N. M. Rothschild.

The group, which professes to be one of the leading quality colour printers in the UK, was started in 1964 when the chairman, Mr Robert Gavron, bought a loss making printing company.

Since then, St Ives has expanded by acquisition and by a programme of heavy investment in up-to-date printing machinery, and over the past five years profits have grown at an average rate of 35 per cent.

Half of the group's turnover is contract magazine printing and a further 30 per cent is covered by predictable orders from existing customers. Titles include the Tatler, The Face, TV Times and the Oxford Dictionary of Quotations.

About 25 per cent of the equity is being offered for sale at a minimum price of 290p, which places a value of £18.25m on the company. Based upon estimated profits before tax of £2.5m (£1.9m) in the year to July 1985, the shares at the minimum price are on an earnings multiple of 11.8, and have a yield of 3.9 per cent.

St Ives will be the first company to be floated by tender since Hillsdown came to market in January this year. N. M. Rothschild said yesterday that the "buoyant" state of the market made the sale by tender method appropriate.

The prospectus will be published on Monday.

Owen Owen forecasts a marked profit advance

AN INCREASE from 1.00p to 1.25 per share in the interim dividend, and the forecast of a "marked improvement" in results for the full year comes from Owen Owen, the Liverpool-based department store operator.

This follows a significant reduction in pre-tax losses for the 26 weeks ended July 27, 1985, down from £798,000 to £147,000.

Mr John Norman, the chairman, reports that sales increased by 7 per cent, from £37.43m to £40.03m, and were achieved despite reduced promotional activity in high volume but low margin departments and an unsatisfactory fashion performance related to the poor summer.

The chairman states that as reported in his annual statement changes are being made in many aspects of the company's operations.

Further progress has been made in profit planning with greater accountability for local management. The Owen Owen stores have been grouped into three regions (southern, midlands and north-west) each under the control of a newly appointed store director.

Detailed plans have been put into effect for each store to achieve higher yields from existing selling space. Results to date indicate both an improvement in margins and gains in sales volumes.

As an integral part of the wider changes taking place to strengthen the company's management, Mr Bryn G. Harries, who has spent 26 years with Marks and Spencer, has been appointed managing director with effect from November 1.

The tax charge for the half-year was a little changed £53,000 (£50,000), to leave net losses reduced from £848,000 to £200,000, for losses of 2.12p per share, compared with 9.01p.

Owen Owen's 21 stores have not been strong performers over the past few years but the property aspect—net asset value per share was 547p in the last balance sheet—has led to bid speculation on more than one occasion.

Clayform Properties, the USM company which specialises in the development of shopping malls and high-technology factories, acquired an 11.6 per cent stake in Owen Owen last month and there was speculation that Clayform might redesign a number of Owen stores or even make a full bid.

Mr Michael O'Halloran, a Clayform director, said yesterday that the chairman of the two companies had met but nothing specific has yet been agreed.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: William Baird, Bodycote International, British Printing and Communication, Brown Boveri Kent, Garton Engineering, Highcroft Investment Trust, Jebsens Drilling, Laidlaw, Laporte, William Morrison Supermarkets, Perry, Ramco Oil Services, Rowntree, Mackintosh, Yule Catto.

Finals: Amber Day, Industrial Finance and Investment, Protimeter, Staffordshire Potteries, Westpool Investment Trust.

FUTURE DATES

Interims—

Clyde Petroleum	Sept 27
DRG	Sept 24
Falcon Industries	Sept. 20
Falcon Resources	Oct. 7
Monument Oil and Gas	Sept 27

Finals—

Continental Microwave	Sept 23
H.T.V.	Oct 3
News International	Sept 24

BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	11½%	■ Hambros Bank	11½%
Allied Dunbar & Co.	11½%	Heritable & Gen. Trust	11½%
Allied Irish Bank	11½%	■ Hill Samuel	§11½%
American Express Bk.	11½%	C. Hoare & Co.	†11½%
Henry Ansbacher	11½%	Hongkong & Shanghai	11½%
Amro Bank	11½%	Johnson Matthey Bkrs.	11½%
Associates Cap. Corp.	12 %	Knowsley & Co. Ltd.	12 %
Banco de Bilbao	11½%	Lloyds Bank	11½%
Bank Hapoalim	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid. East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12¼%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co. Canada	11½%
Citibank NA	11½%	■ J.Henry Schroder Wagg	11½%
Citibank Savings	¶12¼%	Standard Chartered	‖11½%
City Merchants Bank	11½%	TCB	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coates & Co. Ltd.	12 %	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	11½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	11½%	Williams & Glyn's	11½%
The Cyprus Popular Bk.	11½%	Yorkshire Bank	11½%
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Sec. Ltd.	13 %		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptns.	12¼%		
Grindlays Bank	‡11½%		
■ Guinness Mahon	11½%		

■ Members of the Accepting Houses Committee
• 7-day deposits 8.00%, 1 month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 8% gross.
‖ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate
** See Provincial Trust Ltd.
§ Demand deposits 8%.

BUSINESS LAW

Beware of EEC default judgments

By A. H. HERMANN, Legal Correspondent

A WARNING of a sharp bend ahead is something motorists come to expect from those responsible for highway safety, unfortunately, no such warning is given to businessmen when the legal infrastructure takes an unexpected turn.

Contrary to most businessmen's assumptions, the European Convention on jurisdiction and enforcement of judgments in civil and commercial matters (the EEC judgments convention) is by no means some sort of innocent "lawyers' law." It will bring about a very profound change by ensuring "free movement" of judgments throughout the Community. It is likely to prove as important for the integration of the European Community as the "full faith and credit" rule was for the integration of the United States. Embedded in the Constitution, *it obliged U.S. courts* to respect and enforce the judgments handed down by any other court throughout the Union.

The Convention, concluded in 1968, has been in force between the six original members of the EEC many years. It should become part of UK law next year, but *no time* must be lost to prepare *for* its impact now.

To avoid undesirable jurisdictions, contracts should include not only choice of applicable law but also choice of the court before which dispute should be *brought. Specific provisions* should be agreed for addressing and delivery of notices and warnings of any legal action contemplated by one of the parties.

The European Court has been trying for years to translate the somewhat academic exercise of the EEC Judgments Convention into a language understandable to *judges and taking greater* account of the realities of business. Two recent judgments illustrate that it can do much but not enough to bring the convention down to earth.

In *Debaecker and Bouwmen*, (Case 49/84) the Court held, on 11 June 1985, that when enforcing a foreign default judgment, the national judge should look beyond the purely formal satisfaction of the requirements of service in the country where the judgment was given, but consider also any exceptional *circumstances* which might have prevented the defendant from learning that a legal action had been initiated, but the judge should also take into account any responsibility which the defendant might have for not receiving this information.

Some continental courts, particularly in the Benelux countries, are satisfied with a fictitious service of documents—for example, at an address where the defendant is not present or by delivering the document to an authority appointed for this purpose by the statute. It dos not matter to them that no actual delivery of he document has taken place. It is *deemed* to have taken place.

In *the Netherlands*, for example, the documents are deemed to be delivered if they have been transmitted to a court official or to the Dutch Ministry of Foreign Affairs. From that moment on the time given to the defendant for arranging his defence runs—though he may not know about it. Indeed, the first thing he may learn is when a court in his country, or in another EEC country where he has assets, is asked to enforce the default judgment.

The wording of Article 27/2 of the EEC Judgements Convention is *ambiguous: it* provides that the court asked to enforce a foreign judgement need not do it "if the defendant was not *duly served* with the document which instituted *the proceedings in sufficient* time to enable him to arrange *for his defence.*" What is "duly served"? Only three years ago the European Court still held *that it "does not require proof *that the document ... was actually* brought to the knowledge of the defendant." But the Court softened this ruling by saying that the enforcing court "may, exceptionally, consider whether a formal service was fair if it did not require actual communication to the defendant."

This approach to the default *judgments is particularly dangerous* in the case of actions initiated in the Netherlands because that country made use of the possibility to modify Article 20 of the Convention so that Dutch trial courts may give judgment in absence of a certificate of service.

In an excellent survey† of the European Court's and of national judgements, Neville March Hunnings concluded that in its own proceedings the European Court shared the continental tendency to regard delivery to the official address of the defendant as sufficient, whether or not the defendant is in occupation or actually receives the document. It was, however, cautiously ambivalent *when interpreting Article 27/2* of the Convention with emphasis on the need to enable the defendant to arrange for his defence. Hunnings shows how his ambivalence enables several continental courts to persevere in rigid formalism.

In *Dabaeker and Bouwmen*, decided since Hunnings wrote his article, the Court seems to *have come on the side of the* angels. While previously it would only allow the enforcing judge exceptionally to consider a possible unfairness on the formal service, it now requires the judge to consider exceptional circumstances which arise after the "regular service" has been effected—in the case, the plaintiff learned but made no use of the new address of the defendant after a formal but *in*effective service.

A failure to defend an action in foreign court may also eliminate the possibility of offsetting any counter-claim which the defendant may have and which the trial court may be competent to decide, either under the general rule of the Convention or under one of the *exceptional provisions. Though* the convention provides for such exceptional jurisdiction of a claim which should normally be tried elsewhere, in connection with the enforcement of a judgment, the European Court has now sadly restricted and possibly altogether ruled out this provision in its judgment in *AS-Autoteile v Pierre Mahle* Case 220/84 of July 4 1985.

The facts of the case are as follows: AS-Autoteile, a German company, was buying reconditioned spare parts from P.A.T., another German company. *Some of the parts* were defective and AS-Autoteile obtained from the Regional Court in Bonn a default judgment against P.A.T. for DM 1m.

In the meantime, P.A.T. became insolvent. AS-Autoteile asserts that the insolvency was due to an illegal transfer of assets to one of the partners, Pierre Malhe, resident in *France. AS-Autoteile* pursued its claim against Malhe to the extent of his undue enrichment by the assets of P.A.T., the original debtor, and obtained a judgment against him from the regional court in Baden-Baden on the 17 November, 1981. This, however, was reversed by the Appeal Court in Karlsruhe on October 15, 1982, on the ground *that in view of Article 2 of the* Judgment's Convention, German courts lacked jurisdiction.

So far the case presented no special problems. Complications *arose from an order for costs* obtained by Malhe earlier against AS-Autoteile in the regional court of Baden-Baden. As it was immediately enforceable Autoteile provided Malhe first with a bank guarantee for DM 40,000 and later started opposition proceedings, asserting the existence of a deductible counterclaim, namely for DM 1m from undue enrichment—the claim for the adjudication of which the Appeal Court of Karlsruhe has earlier declared German Courts to be incompetent. The regional court in Baden-Baden dismissed the opposition proceedings for lack of jurisdiction and the case went by leapfrog appeal to the Supreme Court (BGH).

BGH referred the issue to the European Court asking whether, under the Judgments Convention, national courts are competent to decide an action, opposing execution of a domestic judgment, based on a counterclaim which, if it was the object of a separate action, they would not be competent to decide.

The general rule of the EEC Judgments Convention is that actions should be brought in the Court of the signatory state where the defendant is resident. Article 16, however, provides a number of exceptions from this general rule, one of which is for the court of the place where a judgment is being enforced, if the claim has a special relation to another signatory state *than that in which the defen*dant resides.

The European Court would not have it. It said, rightly, that the opposition proceedings against the enforcement of an order for costs had been used for an ulterior purpose, namely, to make German courts decide an issue for which they did not have jurisdiction according to Article 2 of the Convention; it was an abuse of the process.

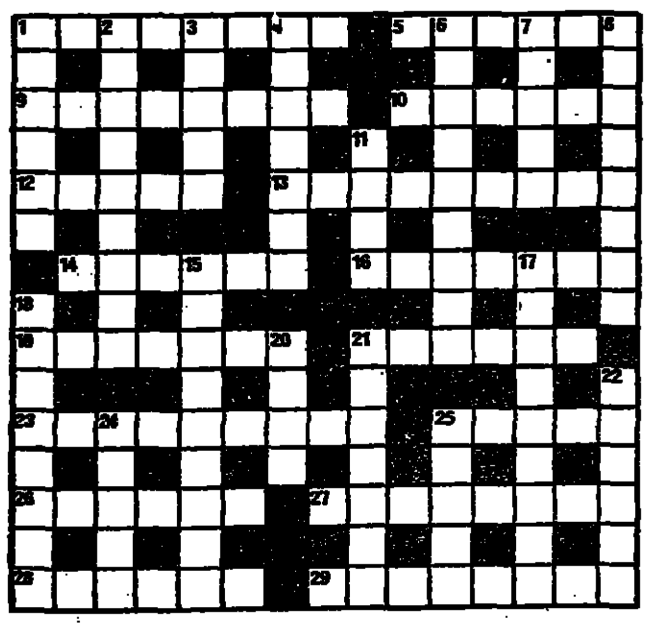
However, from this correct finding the European Court regrettably drew a broad ruling *which excludes the application* of the exceptional jurisdiction in proceedings by which a judgment debtor opposes the enforcement.

As a result, though judgments can cross the frontiers claims and counter-claims cannot, certainly not at the enforcement stage, which may be the first in which the defendant learns of the existence of a foreign default judgment.

** Klomps v Michel, Case 166/80 (1982) CMLR 773.*

† Default judgments in the EEC, (1985) — of Business Law, 303.

F.T. CROSSWORD PUZZLE No. 5,825



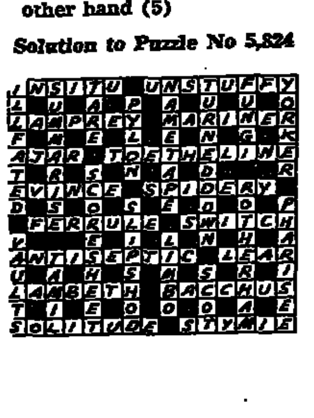
ACROSS

1 Tom raced away as a politician (8)
5 "Sailor's World" digest (6)
9 Pot or tin basin broken (8)
10 Rules for the second helping? (6)
12 Nobody's daily account (5)
13 Operating change of a butterfly (6-3)
14 Settled market for textile fibre (6)
16 A light boat but it will carry everybody in business premises (7)
19 Hanging makes one gasp for breath and die inside (7)
21 Field-sport debate not finished (6)
23 Short piece of music, patently? (9)
25 Dread, perhaps of venomous snake (5)
26 Time to acknowledge the candle-maker (6)
27 Fibre needed to resist current charge? (8)
28 When reign's unsatisfactory, abdicate! (6)
29 Kept-under sort of state (8)

DOWN

1 Wasted away, say, in the nineties? (6)
2 Cocktail for fellow with bowler, brownish? (9)
3 Suspicious of tea on railway (5)
4 These days, I sit for artist, getting fatty (7)
6 Sad peach growing in Kentucky (4, 5)
7 Fresh towel for the small hooter (5)
8 This is for an aggressive darts exponent, upset before play (8)
11 Free ticket transfer (4)
15 "The Rain in Spain," for example, sung in church? (9)
17 The French take off clothes for the washer (9)
18 Sunday newspaper producer is quick off the mark (8)
20 Branch to grasp (4)
21 The kind of stupidity often attached to relative? (7)
22 Boxes at lightweight? (6)
24 Books about English rodents (5)
25 Silver one fashionable on the other hand (5)

Solution to Puzzle No 5,824



APPOINTMENTS

New chairman for Tenneco Europe

Mr Raymond H. Marks will become chairman of TENNECO EUROPE on October 1, upon the retirement of chairman **Mr Ralph W. Cousins**. He has served as executive vice-president and president of Tenneco plastics division, senior vice-president and president of Tenneco Chemicals, and senior vice-president of Tenneco Inc. Mr Marks also serves as a director of Albright and Wilson, a Tenneco division headquartered in London. Tenneco Europe, a corporate office in London, provides a number of services to Tenneco subsidiaries operating in 12 countries throughout Europe.

★

Mr Phil Waggott has been appointed managing director of NORBAIN IMAGING, the specialist distributor of Norbain Electronics Group. He was business development group manager *of the semiconductors division* of Texas Instruments.

★

Dr Norman A. White has been appointed to the board of PETRANOL as a non-executive director. Since 1972 he has been particularly active with independent exploration companies as a consultant and chairman/director of public and private companies in the UK and North America.

★

Mr George Humphries has *been appointed managing direc*tor of the plastics division of the ARTHUR LEE GROUP. He was managing director of Elliott Moulders (Electronics) of Walsall.

★

Mr G. A. Wenman has been appointed a director of ALWEN HOUGH JOHNSON.

★

Mr Charlie Barrass has been appointed a full board member of BIS SOFTWARE. The appointment is in addition to his position as manager for the company's Europe, Middle East and Africa region.

★

Mr P. M. Fallon has been appointed a director of ASSOCIATED NEWSPAPERS HOLDINGS.

CONTRACTS

£3.5m Shepherds Bush dairy plant order

Unigate Dairies has signed a £3.5m contract with ALFA-LAVAL for the supply of all processing equipment to a new dairy at Wood Lane, Shepherds Bush, London, which it is believed will be the first dairy in the UK to be dedicated exclusively to the production of milk in non-returnable containers. The order comprises pasteurisers, homogenisers, reception and storage tanks, valves and pipework for the processing of a variety of different milks and creams. It also covers associated service equipment such as refrigeration, steam generation, air compression, electricity and water treatment, and is equipped for cleaning-in-place throughout. The development comprises demolition of the existing dairy and construction of a 60,000 sq ft *processing and packaging* building and a 20,000 sq ft distribution depot with ancillary offices.

★

NEI NUCLEAR SYSTEMS, of Gateshead, has won a £3.1m contract to replace the pulverised fuel pipework on two boilers at Blyth power station in Northumberland. The order includes the dismantling of the existing pipework and the manufacture, erection and commissioning of the new pipework. Work has already started and is expected to take until mid-1987. Another NEI company, NEI International Combustion of Derby will be assisting NEI Nuclear Systems on the construction aspects of the contract.

★

Contracts totalling almost £2m for the supply of lithium batteries have been awarded by the Ministry of Defence (MoD) to CROMPTON VIDOR, the industrial and military batteries *subsidiary of Crompton* Parkinson, a Hawker Siddeley company. Crompton Vidor will be supplying lightweight, high-energy lithium-sulphur dioxide batteries in 6 and 30 volt versions. The batteries will be used for a variety of applications including manpack communications equipment, portable nightsights, laser rangefinders and recently-developed chemical agent monitor (CAM) units.

★

HOLDEN AND BROOKE, Manchester, has won an order to supply 226 pumps for installation in the Islamic Conference Centre now being built in Kuwait. The order, worth over £60,000, was placed by the National Company for Mechanical and Electrical Works. Negotiation was handled by Holden and Brooke's agent in Kuwait, Kazema Engineering *Projects. The majority of the* pumps are for chilled water circulation together with dual pump sets for low pressure hot water.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)

Perpetual Unit Trust Mngmt. (a)

Prolific Unit Trusts

Providence Capitol Fd. Mgrs. Ltd.

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt. (a)

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngt. Ltd.

Stewart Ivory Unit Trust Mgrs Ltd.(a)

Sun Alliance Fund Management Ltd.

Sun Life Trust Mngt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.(a)(c)

TSB Unit Trusts (b) (c) (y)

3i & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd. (a)(g)

Temple Bar Unit Trust Mgrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Tyndall Managers Ltd.(a)(b)(c)

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd.

Wardley Unit Trust Managers Ltd (a)

Waverley Asset Management Ltd (a) (c) (g)

WestAvon Unit Trust Managers Ltd(a)(c)

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd.

Aetna Life Insurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Allied Dunbar Assurance PLC

Amersham Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd.

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ins. Co. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insurance Co Ltd

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Insurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

The LAS Group

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General (U.A.)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London & Manchester Group

London A'deen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

PBR Fund Management Ltd.

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Property Growth Pensions & Annuities Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provident Life Assoc. of London Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Assicurazioni GENERALI S.p.A.

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg
World Fund NAV ... $11.27

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd ... $12.95 −0.13 —
Inv Adv M & G Inv Mngt., Ltd., London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	99.27	+0.10	—
Dynamic Gwth Fd	78.28	+0.02	—

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.35		—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fund	11.6	8.27	12.26	Mth
7-day Fund	11.95	8.50	12.70	Mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fund	11.14	8.33	12.25	6-Mth
7-day Fund	11.46	8.57	12.61	6-Mth
Dollar		6.62	—	6-Mth
Money Mngt. Acct	11.00	8.22	12.27	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq, Edinburgh, EH2 4DF 031-225 8484				
Full Service Chq Acc	11.25	8.00	11.93	Qtr
Aitken Hume 30 City Road EC1Y 2AY 01-638 6070				
Treasury Acc	11.25	8.41	12.58	Qtr
Mth Int. Chq.	11.125	8.32	12.56	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	11.00	8.22	12.18	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.0	8.25	12.32	Qtr
Britannia Investment Services Ltd. 29 Finsbury Circus, EC2M 5QL. 01-588 2777				
Cater Allen	11.13	8.33	12.34	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.13	8.23	12.34	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.75	4.75	4.85	Mth
Swiss Francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings St Martins Hse, Hammersmith Grove 01-748 9251				
Cheque Plus	9.00		13.30	Qtr
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543				
£500-£2,500	9.50	7.10	10.41	Qtr
£2,500 +	12.00	8.97	13.26	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	11.00	8.22	12.27	Qtr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG 01-631 3313				
Cheque Deposit Acc	11.50	8.59	12.98	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	11.00	8.22	12.18	Mth
Lloyds Bank PLC 71 Lombard St, London, EC3P 3BS 01-626 1500				
HighIntCheque Account	11.25	8.25	12.32	Qtr
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
14-Day Notice	11.500	8.596	12.200	—
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
H.I.C.A.	11.125	8.31	12.35	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc	10.70	8.00	11.92	Qtr
£10,000 +	11.17	8.35	12.47	Qtr
Provincial Trust (formerly Chedartons) 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
Cheque Acc	11.50	8.60	13.00	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	11.0	8.22	12.27	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	10.70	8.00	11.09	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol. 0272 732241				
Demand Acc	11.20	8.37	12.50	Qtr
Money Acc	11.218	8.35	12.48	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	11.00	8.22	12.40	Mth
Over £10,000	11.25	8.41	12.70	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc	11.61	8.68	13.04	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‖ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28½	Marks & Spencer	11
BAT	32	Midland Bk	30
BOC Grp	25	NEI	8
BSR	16	Nat West Bk	60
BTR	52	P & O Dfd	36
Babcock	14	Plessey	17
Barclays	48	Polly Peck	26
Beecham	32	Racal Elect	18
Blue Circle	45	RHM	11
Boots	15	Rank Org Ord	32
Bowaters	20	Reed Intnl	50
Brit Aerospace	33	Sears	8
Brit. Telecom	11	TI	20
Brown (J.)	3	Tesco	20
Burton Ord	39	Thorn EMI	35
Cadburys	14	Trust Houses	13
Charter Cons	18	Turner Newall	10
Comm Union	19	Unilever	85
Courtaulds	12½	Vickers	19
Debenhams	17½	**Property**	
Distillers	28	Brit Land	12
FNFC	8½	Cap Counties	18
Gen Accident	45	Land Secs	25
Gen Electric	17	MEPC	28
Glaxo	85	Peachey	22
Grand Met	25	Samuel Props	14
GUS 'A'	60	**Oils**	
Guardian	60	Brit. Oil & Min.	4
GKN	17	Brit Petroleum	42
Hanson Tst.	17½	Burmah Oil	18
Hawker Sidd	38	Charterhall	6
ICI	60	Premier	5
'Imps'	18	Shell	60
Jaguar	28	Tricentrol	18
Ladbroke	24	Ultramar	19
Legal & Gen	50	**Mines**	
Lex Service	28	Cons Gold	44
Lloyds Bank	45	Lonrho	14
Lucas Inds	25	Rio T Zinc	56

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Tin producing countries to press for boost in support funds

BY EMILIA TAGAZA IN CANBERRA AND STEFAN WAGSTYL

THE ANNUAL ministerial meeting of the Association of Tin Producing Countries (ATPC) has agreed to press member governments for a "significant and effective" cash contribution to the International Tin Council, which operates the tin market's price support system.

At the end of a two-day conference in Canberra, ministers said that extra cash contributions would be seen as concrete proof of government commitment to the maintenance of a stable tin market.

Mr John Dawkins, Australia's Trade Minister, who chaired the meeting, said that no decision had been made on the extent of any contribution increase.

Members of the International Tin Council, which represents consumers as well as producers, put just over £140m into the buffer stock manager's reserves in 1982, and three major producers, Malaysia, Indonesia and Australia, topped this up with another £25m contribution last year.

The demands for a further contribution are likely to be considered at an ITC meeting in London next week.

The ATPC ministers believe that more cash is needed to help the buffer stock manager maintain tin prices at the levels agreed under the current sixth International Tin Agreement (ITA), in the face of rising world tin stocks. Self-imposed export quotas on ITC producer members have failed to remedy the problem because of increased production by non-members, particularly Brazil.

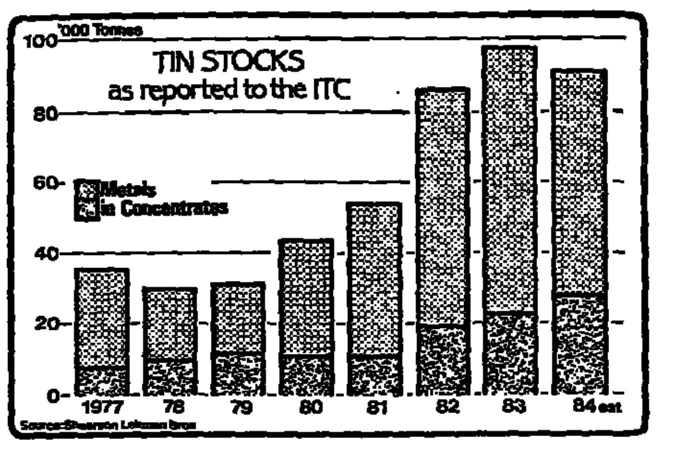
Traders in London yesterday were sceptical whether extra funds would improve the buffer stock manager's position. One said: "If they're simply putting more money in to keep the price of tin where it is then they're flogging a dead horse."

In other moves to help support tin prices, ministers at the Canberra meeting agreed to approach major non-ATPC member producers—Brazil, China, Canada and Britain—to try to secure production limits. They also plan to increase their efforts to stop tin smuggling out of ATPC states.

The ministers plan to press the U.S. to reduce sales from the strategic stockpile held by its General Services Administration (GSA). Under an agreement between the U.S. and the Association of South East Asian Nations (ASEAN) GSA disposals are not meant to exceed 3,000 tonnes a year. The conference heard that for the first eight months of 1985 they had been running at a rate of 3,900 tonnes a year.

Looking forward to negotiations for a seventh ITA, which is planned to succeed the current agreement expiring in June 1987, the meeting agreed that buffer stocks and export controls would be essential. These negotiations are due to start in Geneva next March.

Reviewing tin consumption, the ATPC agreed to increase the budget allocation for research and development of new uses of tin, which is carried out by the London-based International Tin Research Institute.



Venezuela to open iron mine

BY JO MANN IN CARACAS

PRESIDENT JAIME Lusinchi of Venezuela is expected tomorrow to open a $27m open pit iron ore mine — the largest development in the country's iron ore industry in recent years.

The Cerro San Isidro mine, owned by the state iron mining company Ferrominera Orinoco, is forecast to produce 2m tonnes of high-grade ore this year, and 4m tonnes a year thereafter.

The mine, 400 miles south east of Caracas in the Guayana industrial region, contains proven reserves of 395m tonnes of low-phosphate ore, better in quality than the output of Ferrominera's two other mines at Cerro Bolivar and El Pao.

The development forms part of the company's strategy of increasing the quality of its iron ore mix in order to remain competitive in the world market. Ferrominera was set up in 1975 when the Government nationalised the Venezuelan iron ore operations of U.S. Steel and Bethlehem Steel. Last year Ferrominera produced 12.8m tonnes of ore, up sharply from 9.8m in 1983. It sold 12.4m tonnes in 1984 (10.5m in 1983). With over 63 per cent of sales going to export markets. Venezuela's most important iron ore purchasers are in the U.S. and Europe.

Ferrominera reported a 1984 profit of over $17m on sales revenues of $124.7m, the best results registered in recent years.

The company is also working on a $100m-plus plan to reactivate the iron ore briquette plant it acquired from U.S. Steel after the nationalisation. This plant, located in Puerto Ordaz, has been closed down since 1982 due to technical problems.

A feasibility study is being carried out to see if the plant can be reactivated. The company is prepared to spend up to $80m on this. It is also interested in building a $26m mobile ore trans-shipment station that would be anchored at the mouth of the Orinoco River and used with carriers of up to 170,000 tonnes.

U.S. Steel's original idea was to produce highly concentrated iron ore in the form of briquettes in order to raise efficiency in the steelmaking process.

Rising demand for platinum is forecast

By Stefan Wagstyl

WORLD INDUSTRIAL demand for platinum should continue to grow in 1985-86 after a 20 per cent increase in the year to June 1985, according to Impala Platinum Holdings, part of the South African Gencor group and one of the world's largest producers of the metal.

Mr Ted Pavitt, Impala's chairman, says in his annual statement that the potential for platinum in the European automobile industry has been enhanced by EEC agreements on exhaust emission controls.

In Japan, where consumption rose by 42 per cent in the year to June, a slowing down in consumption is expected once inventories have been rebuilt. Growth in demand in the U.S. is also expected to fall off in the face of falling consumption in the electronics industry and a levelling off in output in the automobile industry.

Mr Pavitt looks forward to improved operating results in 1985-86, after a year in which pre-tax profits fell from R268.7m to R234.2m (£83m).

● THE PHILIPPINES Sugar Corporation has set a production target for 1985-86 (September-August) of 1.6m tonnes compared with actual output in 1984-85 of 1.7m tonnes, writes Samuel Senoren in Manila. Reduced production has caused the corporation to order the closure of six sugar mills. Two others have suspended operations. Production in the coming year will be regulated by a quota system, details of which are still being finalised.

● THE EEC Commission authorised the export of 53,250 tonnes of white sugar with a maximum subsidy of 39.997 European currency units at its weekly tender in Brussels yesterday.

● BRAZIL has again suspended export registrations for concentrated orange juice in an effort to put pressure on manufacturers to settle their dispute with growers over the price. With September exports completed the suspension will have no effect for ten days, according to Abrassucos, the manufacturers' association.

Fears over EEC chocolate plan

BY ANDREW GOWERS

A PERIOD of frantic lobbying by European chocolate manufacturers and cocoa-producing countries in Africa over proposed new EEC-wide standards for the product faces its first test in the European Parliament today.

The Parliament's environment and consumer protection committee is due to vote on a plan drawn up by the European Commission to extend the specifications currently applied to chocolate in the UK, Denmark and Belgium to the rest of the Community.

At issue for manufacturers, in particular those in Britain, is the freeing of trade in chocolate throughout the EEC. But because the Commission proposal would involve increased use of substitutes for cocoa butter in chocolate, countries like the Ivory Coast fear losing a subgstantial chunk of their market for cocoa in Europe.

The harmonisation of chocolate standards has been a bone of contention in the EEC for more than 10 years as a result of differing tastes between member states.

When they joined the Community in 1973, Britain, Denmark and Ireland—where chocolate has tended to be milder and milkier than on the Continent—were allowed to apply their old standards for a transitional period after joining, at the end of which the Commission would come up with a revised proposal for common Community specifications.

The Commission's eventual draft plan, published last year, called for a broadening of the definition of ordinary milk chocolate throughout the Community to include products which contain vegetable fats to up to 5 per cent of their weight, with only 20 per cent cocoa content. This is the standard currently applied in the UK, Ireland and Denmark. Products on sale on the Cntinent traditionally are between 25 and 30 per cent made up of cocoa.

The Ivory Coast and other leading cocoa producers have been waging an increasingly vociferous campaign against the change, aided to some extent by the Commission's development directorate, which is believed to have been furious at not being consulted before the change was proposed.

According to statistics presented to a meeting of the International Cocoa Organisation in July, the producers fear it could displace an additional 28,850 tonnes of cocoa butter from the European market, which currently totals about 300,000 tonnes a year.

Some chocolate manufacturers in Belgium, West Germany and France—all of which use a higher proportion of cocoa in their products—are also reported to be unhappy about the proposal.

The UK industry disputes the producers' figures. "There is no doubt that if the EEC directive is passed it will have an impact on cocoa consumption," says one manufacturer. "But we reckon it will only lose the producers between 10,000 and 15,000 tonnes, which is a small proportion of the total."

The British chocolate manufacturers also point to the potential benefits to countries which produce shea nuts, the main source of the vegetable fats used in their chocolate. The principal suppliers of these are Mali and Burkina Fasso (formerly Upper Volta), two of the poorest nations in Africa—which, it is reckoned, could see a doubling of their export earnings from the product as a result of the EEC directive.

Mouths are also watering in the British industry about the potential for increased sales in the rest of Europe stemming from the EEC plan, although the manufacturers themselves are playing this element down.

Indonesia unrepentant on coffee exports

BY KIERAN COOKE IN JAKARTA

AS COFFEE producers and consumers haggle in London this week over export quotas for the next coffee year, many of them are keeping a close eye on Indonesia, the so-called bad boy of the coffee world.

Over the last few years, Jakarta has become the target for a welter of complaints from other producers for its alleged abuses of the International Coffee Agreement (ICA). By selling large amounts of its coffee at discount prices to countries which do not belong to the International Coffee Organisation (ICO), they say, it has undermined the effectiveness of the agreement's price disciplines.

The ICO has threatened to impose penalties on countries which continue to flout the rules; in April, members resolved that sales to non-members should only be made at the same price as those within the Organisation. But Indonesia says that while it will continue to try to support existing agreements, it will not be bullied into submission.

Mr Dharyono Kertosastro, the Chairman of the Association of Indonesian Coffee Exporters made the Indonesian position clear this week, just before he left Jakarta to do battle in London. He said that what had to be resolved was the whole question of the balance of quota allocation. "The ICO must realise that the whole world coffee situation has changed and it must change also," he said.

Indonesia is now the world's fourth largest coffee producer with 360,000 tonnes produced in 1984, according to ICO statistics. Yet its present ICO quota is only 2.5m bags (60 kilos each), representing only 58 per cent of the total available for export. Meanwhile Brazil and the Ivory Coast, claims Mr Kertosastro, have quotas which actually exceed the amount they have to sell abroad.

Mr Kertosastro said Indonesia built up its coffee production following the bad frosts in Brazil in the mid 1970s and the subsequent coffee price boom. He estimates there are now more than 10m people involved in the coffee business, including 2m farmers.

Coffee has become a crucial part of the Indonesian economy and with exports last year worth more than $560m it has become the country's third biggest non-oil and gas export item. Income from coffee exports is particularly vital at the moment, said Mr Kertosastro, as Indonesia is facing a serious decline in revenues from its oil exports.

"We have a moral responsibility both to the nation and to the farmers to maintain our export efforts," said Mr Kertosastro. Also, he said, the Government was finding it very difficult to control production. About 95 per cent of Indonesian coffee is grown by smallholders, on farms which are usually less than half a hectare. "We cannot suddenly say stop growing or uproot your bushes. It is the farmers livelihood," said Mr Kertosastro. He would not say whether Indonesia had any intention of withdrawing from the ICO if penalties were imposed but reiterated that the country wanted to abide by existing agreements as far as possible.

Others in the coffee business in Indonesia are not so conciliatory. They say that the whole ICO system is rigged by Brazil and the U.S. for political and financial reasons. Brazil, they say, is able to steamroller through its large quota allocation by using its dire economic circumstances as a lever on the U.S., its principal lender.

That Indonesia has been exporting large amounts of its coffee to non-ICO countries at reduced prices seems beyond question. In the six months to March 1985 it exported more than 69,000 tonnes to non-quota countries according to Indonesian Government statistics, a figure which, for the first time this year, exceeds quota country exports.

There is also evidence to suggest that substantial amounts of this coffe then finds its way from such countries as the Philippines, Hong Kong and Singapore into the quota countries. This, says the ICO, is driving down world prices. Some in Indonesia meanwhile accuse the other major producers, such as Brazil and Colombia, of driving down world prices artificially in advance of this week's meeting as part of their argument for ever tighter quota restrictions. "It is," said one Indonesian trader, "an unfair system imposed by the Latin American countries on us all because of their debt problems. Why should we be penalised?"

INDONESIAN COFFEE EXPORTS

	Quota Volume (tonnes)	Quota Value (U.S. $)	Non-quota Volume (tonnes)	Non-quota Value (U.S. $)
1981-82	126.184	246.048	86.168	76.238
1982-83	141.766	311.713	94.026	102.917
1983-84	153.093	398.059	126.449	145.231

Source: Association of Indodesian Coffee Exporters

LONDON MARKETS

THIS WEEK'S rally in London coffee futures prices was maintained in the morning but early gains were trimmed back severely during the afternoon. The November position climbed to £1,740 a tonne at one stage with the help of sterling's easiness. But by the close it had come back to £1,712.50 a tonne for a net gain on the day of £11.50. Dealers attributed the sell-off to profit taking and technical "chart gap filling" coupled with an easier tone in the New York market, which had been giving the lead to the rise. The market had been waiting for the consumers' response to Tuesday's producer proposal at the International Coffee Organisation meeting in London for a substantial cut in global export quotas for the coming year. But so far the producers have only called for a "front loading" of quotas into the early part of the year without suggesting a global figure.

BASE METALS

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	732-3	+2	732/731
3 months	755-6	+1.75	760/751

Official closing (am): Cash 731-.5 (728-.5), three months 753.5-4.5 (748.5-9), settlement 731.5 (726.5).
Final Kerb close: 753-54. Turnover: 24050 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or —	High/low
Cash	1008.5-9.5	—2	1013/1012.5
3 months	1033.5-4	—2.5	1046/1033

Official closing (am): Cash 1012.5-3 (1016.5-7), three months 1036.5-7 (1040-1), settlement 1013 (1017).
Final Kerb close: 1036.5-7.

Cathodes			
Cash	992.5 3.5	—1.5	996/992
3 months	1017.6	—1.5	—

Official closing (am): Cash 996-8 (997-9), three months 1021-3 (1022-4), settlement 998 (999).
Turnover: 31375 tonnes. U.S. Producer prices 65.5-69 cents per pound.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	
Cash	297-8	—	296.5 295.5
3 months	304.5-5	+2	305/303

Official closing (am): Cash 296.5 (297-.5), three months 303-4 (303.5-7.5), settlement 296.5 (297.5).
Final Kerb close: 304-5. Turnover: 8225 tonnes. U.S. Spot 18.5-20 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	3340-5	+25	3340/3340
3 months	3395-405	+19	3425/3381

Official closing (am): Cash 3335-7 (3320-5), three months 3398-400 (3383-5), settlement 3337 (3325).
Final Kerb close: 3390-95. Turnover: 960 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	9163-5	—13.5	9165/9165
3 months	9116-20	—2.5	—

Official closing (am): Cash 9160-2 (9180-5), three months 9110-3 (9115-8), settlement 9162 (9185).

Standard			
Cash	9163.5	—13.5	9160/9155
3 months	9113-4	—2	9115/9110

Official closing (am): Cash 9158-60 (9165-70), three months 9110-1 (9111-2), settlement 9160 (9170).
Final Kerb close: 9115-17. Turnover: 945 tonnes. Straits tin M$30.05 (30.08) kilo.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	513 4	—2.5	523/522
3 months	520-1	—1.5	529/522

Official closing (am): Cash 552-.5 (515.7), three months 526-7 (523.5-4), settlement 522.5 (517).
Final Kerb close: 525-25.5. Turnover: 7350 tonnes. U.S. Prime Western: 41-41.75 cents per pound.

GOLD

Gold fell $3 to $314¾-315¼ on the London bullion market, finishing at the lowest level of the day, as the dollar showed a late improvement on the foreign exchanges. The metal opened at $315½-316 and was fixed at $315½ in the morning and $316¼ in the afternoon. It touched a peak of $316½-317.

GOLD BULLION (fine ounce) Sept 18

Close	$314¾-315¼	(£234¾-235¼)
Opening	$313½-316	(£237-238½)
M'ni'g fix.	$315.50	(£236.365)
Aft'n'n fix	$316.25	(£236.184)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$319¾ 320¼	(£239½ 240)
½ Krug.	$166¼-166¾	(£124½-125)
¼ Krug.	$84¾-85¼	(£63½ 64)
1/10 Krug.	$34¼ 34¾	(£25¾-26)
Mapleleaf	$325 325½	(£243½-244)
New Sov.	$75-75½	(£56¼-56½)
½New Sov	$45¼ 45¾	(£34 34¼)
Old Sov.	$80¼-82	(£60-61¼)
$20 Eagle	$460 500	(£344¼-374¾)
Noble Plat	$306½-310	(£230½-233)

SILVER

Silver was fixed 5.75p an ounce lower for spot delivery in the London bullion market yesterday at 441p. U.S. cent equivalents of the fixing levels were: spot 588.6c, down 12.05c; three-month 600.4c, down 12.3c; six-month 611.6c, down 14.25c; and 12-month 638c, down 14.45c. The metal opened at 441-444p (587-590c) and closed at 440-443p (581-584c).

SILVER per troy	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	441.00p	—5.75	441p	—2.75
3 months	453.25p	—5.85	453.5p	—2.75
6 months	464.20p	—7.35	—	—
12 months	487.90p	—7.15	—	—

LME—Turnover: 68 (54) lots of 10,000 oz.
Three months high 455p, low 453.5p, final kerb 451-3.

RUBBER

PHYSICALS—London closing prices (buyers) for RSS No 1: spot 61.00p (same); October 58.75p (same); November 58.75p (same).
Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 183.0 (182.0) SMR 20 149.5 (148.0).

INDICES

FINANCIAL TIMES

Sep. 17	Sep. 16	M'th ago	Year ago
255.46	254.54	251.75	289.35

(Base: July 1 1952 = 100)

REUTERS

Sep. 18	Sep. 17	M'th ago	Year ago
1726.6	1724.0	1698.9	1858.6

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Sept. 17	Sept. 16	Month ago	Year ago
Spot	111.80	112.18	—	125.31
Fut.	114.17	114.10	—	125.12

(Base: December 31 1974 = 100)

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Sept 18 1985	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt.	$1000/20	—5	$1055/70
Copper			
Cash h Grade	£1009	—2	£1004.5
3 mths	£1033.75	—2.5	£1052.25
Gold Troy oz	$315	—3	$335.25
Lead Cash	£297.5		£299
3 mths	£304.75	+2	£301.25
Nickel			
Free Mkt.	204/224c	—1	222/242c
Palladium oz	$95.50	—1.25	$105.00
Platinum oz	$297.50	—8.75	$329.75
Quicksilver†	$280/300		$280/300
Silver troy oz	441.00p	—5.75	450.85p
3 months	453.25p	—5.85	462.80p
Tin cash	£9164	—13.5	£9097.5
3 months	£9113.5	—2	£9060.5
Tungsten	$70.68	+3.36	$72.02
Wolfram 22.0lb	$65/70		$65/70
Zinc	£513.5	—2.5	£524.05
3 months	£520.5	—1.5	£529.5
Producers	$780/830		$830
OILS			
Coconut (Phil)	$440.0z	+10	$430
Palm Malayan	$350.0y	+5	$415
SEEDS			
Copra Phil	$287.5z		$315
Soyabean (U.S.)	$217.75	+4.65	$212.5
GRAINS			
Barley Fut. Nov.	£104.85		£103.20
Maize	£131.00y		£133.40
Wheat Fut. Nov.	£105.00	—0.45	£102.75
No. 2 Hard Wint	‡		‡
OTHERS			
Cocoa Ft. Dec.	£1802.5	+16.5	£1724.5
Coffee Ft. Nov.	£1712.5	+11.5	£1694
Cotton A Index	53.00c	—0.6	56.60c
Gas Oil Nov.	$242	+2.5	$234
Rubber (kilo)	61.0p		63p
Sugar (raw)	$133.5z	—3	$119
Wooltops 64s	428p kilo		427p kilo

‡ Unquoted. z Sept-Oct. y Oct. x Oct-Nov. † Per 76-lb flask. c Cents a pound.

COCOA

Futures traded in a confined range and closed on a steady note, £12-15 higher. Manufacturer participation was evident, but origins were quiet. Renewed commission house buying was noticeable, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
Sept.	1761-1765	+18.5	1765-1745
Dec.	1802-1803	+16.5	1806-1780
March	1826-1827	+14.0	1830-1815
May	1840-1844	+14.5	1844-1830
July	1846-1852	+15.0	1845-1835
Sept.	1852-1860	+14.0	1858-1848
Dec.	1855-1857	+15.0	1855-1855

Sales: 2,930 (3,927) lots of 10 tonnes.
ICCO indicator prices (U.S. cents per pound). Daily price for September 18: 105.16 (104.61); five-day average for Sept 19: 104.29 (103.62).

COFFEE

Commision house buying during a fairly active morning created gains of £23-24, reports Drexel Burnham Lambert. Resistance, around £1,740 basis November, enforced a gradual retreat.

COFFEE	Yesterdy's Close	+ or —	Business Done
Sept.	1682-1685	+26.5	1703-1680
Nov.	1710-1715	+11.5	1740-1712
Jan.	1736-1740	—9.5	1772-1740
March	1767-1768	—10.0	1800-1763
May	1795-1800	—5.0	1826-1800
July	1815-1830	+6.5	1839-1825
Sept.	1830-1860	+12.5	1865

Sales: lots of 5 tonnes.
ICO indicator prices (U.S. cents per pound) for Sept 17: Comp. daily 1979 119.50 (117.65); 15-day average 118.74 (118.96).

GRAINS

Wheat drifted lower on selling pressure after the recent contract highs to close 50p lower with good buying support seen at lower levels. Barley again remained quiet in thin trading, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Sept.	104.90	—0.60	103.30	—0.30
Nov.	105.00	—0.45	104.85	—
Jan	107.95	—0.45	108.15	—0.05
Mar.	111.00	—0.40	111.15	—0.05
May	114.10	—0.45	114.10	—
July	116.10	—0.46	—	—

Business done—Wheat: Sept 104.20-4.90, Nov 106.00-4.95, Jan 108.40-7.95, March 111.40-1.00, May 114.35-4.10, July 116.25-6.10. Sales: 424 lots of 100 tonnes. Barley: Sept 103.50-3.30, Nov 104.90-4.75, Jan 108.20-8.05, March 111.20-1.10, May 114.10-4.00. Sales: 55 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring no 1 15 per cent Oct 130.75, Nov 132.25, Dec 133.55 transhipment east coast. U.S. no 2 soft red winter Oct 112.75, Nov 113.75, Dec 15.50 sellers, EC French faq Sept 118.50, 11½ per cent protein, Sept/Oct 114 quoted. English feed fob Sept 105.75/106 sellers, Oct 106.50 bid, Nov 109 value, Nov/Dec 108.75 bid, Oct/Dec 107.50/108.50 buyer/seller, Dec 109.50 value, Jan/Mar 113 seller. Maize: U.S. no 3 yellow/French transhipment east coast Oct 1-10 131, Nov/Dec 133. Barley: English feed fob Oct 106 paid Peterhead, Sept 102/102.50, Oct 105/106 buyer/seller, Nov 107.75 bid. Oct/Dec 107.50/108.50 buyer/seller, Jan/Mar 113.25 seller, April/June 117.50 bid. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 98.90, E Mids 97.30, N East 98.90, Scotland 97.00. The UK monetary coefficient for the week beginning Monday September 23 (based on HGCA calculations using five days' exchange rates) is expected to remain unchanged.

MEAT

PIGMEAT—In active trading near positions moved higher but failed to hold gains and closed mixed, reports CCST Commodities.

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Oct.	115.60	118.50	115.8-115.0
Nov.	116.80	117.30	117.6-116.8
Feb	103.80	103.40	104.0-103.8
April	103.80	104.40	104.2-104.0
June	103.60	103.20	102.8-102.5
Aug.	101.30	101.90	—

Sales: 166 (36) lots of 50 carcases, 3,250 kg.

U.S. MARKETS

PRECIOUS metals remained under pressure as local selling led to continued liquidation by speculative interests, reports Heinold Commodities. Copper and aluminium sold off sharply on the lack of fresh cash demand and fears that the U.S. economy might not recover as much as had been previously expected. Sugar rebounded from early losses as light trade buying emerged, touching off short-covering. Cocoa weakened on evidence of producer selling over the market and the lack of fresh indications that pod rot had penetrated further into new crop prospects. Expectations that consuming members of the ICO would not accept a cut in the export quota led to a weak tone in coffee. Cotton was steady on the lack of cash activity ahead of the harvest. The energy complex remained steady to firm, reflecting continuing concern over the low level of distillate stock as the peak usage period approaches. The grain complex came under pressure on commercial selling. Soyabeans declined on a pick-up in harvest activity and in anticipation that cash movement will also increase in the weeks ahead.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Sept	42.55	42.80	42.75	43.00
Oct	42.80	—	—	43.25
Nov	43.20	—	—	43.50
Dec	43.55	43.85	43.55	44.00
Jan	43.90	—	—	44.35
March	44.65	45.05	44.75	45.10
May	45.35	—	—	45.80
July	46.05	—	—	46.50
Sept	46.75	—	—	47.20
Jan	48.15	—	—	48.60

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2173	2182	2170	2186
March	2235	2245	2233	2248
May	2265	2270	2264	2272
July	2281	2287	2276	2290
Sept	2290	2290	2290	2300
Dec	2294	2305	2305	2308

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
Sept	136.18	136.75	135.10	136.00
Dec	138.19	139.65	137.35	138.94
March	139.50	141.00	138.70	140.26
May	140.43	141.45	140.00	140.95
July	141.38	142.60	141.25	141.58
Sept	142.25	—	—	142.63
Dec	142.50	—	—	141.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Sept	58.60	59.45	58.50	59.90
Oct	58.75	—	—	60.05
Nov	59.10	—	—	59.60
Dec	59.45	60.50	59.35	60.70
Jan	59.70	60.00	60.00	60.90
March	60.20	61.05	60.10	61.30
May	60.55	61.05	60.50	61.60
July	60.90	61.60	60.65	61.90
Sept	61.25	61.90	61.30	62.20
Dec	61.85	62.70	62.00	62.75

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	59.95	59.89	59.55	59.46
Dec	58.72	58.74	58.31	58.47
March	59.80	59.85	59.45	59.53
May	60.10	60.10	59.85	59.96
July	58.95	59.00	58.77	58.85
Oct	53.83	53.80	53.80	53.77
Dec	52.86	52.90	52.71	52.89

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Oct	28.10	28.15	27.95	28.08
Nov	27.48	27.54	27.32	27.47
Dec	26.96	27.02	26.78	26.96
Jan	26.52	26.56	26.32	26.50
Feb	26.10	26.15	25.98	26.11
March	25.75	25.75	25.64	25.75
April	25.25	25.25	25.25	25.45
May	25.05	25.05	24.95	25.14
June	24.80	24.87	24.78	24.87
July	24.60	24.70	24.60	24.67

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	314.9	—	—	316.6
Oct	315.7	317.5	314.2	317.4
Nov	317.7	—	—	319.1
Dec	319.8	321.5	318.2	321.5
Feb	324.0	325.7	322.3	325.7
April	328.2	329.7	326.7	329.9
June	333.0	334.3	331.5	334.7
August	337.8	339.0	339.0	339.5
Oct	342.7	—	—	344.4
Dec	347.6	348.0	347.0	349.3
Feb	352.8	—	—	354.5
April	358.1	—	—	359.8
June	363.7	—	—	365.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Oct	78.55	78.75	78.25	78.67
Nov	78.75	78.80	78.40	78.55
Dec	78.80	79.00	78.45	78.37
Jan	78.25	78.50	78.00	77.92
Feb	76.80	77.00	76.50	76.80
March	72.80	73.30	72.50	73.00
April	70.00	70.00	69.75	70.40

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	134.00	134.50	133.00	133.45
Jan	129.45	129.50	128.40	128.75
March	126.70	128.85	126.85	126.75
May	125.50	—	—	125.25
July	124.90	—	—	124.60

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	294.6	—	—	292.8
Oct	295.1	300.0	292.0	290.0
Jan	296.5	301.5	293.5	300.5
April	301.2	306.0	297.5	305.0
July	306.2	310.2	302.5	310.0
Oct	311.5	315.0	311.0	315.3

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	581.7	593.0	590.0	592.0
Oct	592.8	—	—	593.8
Nov	596.8	—	—	598.2
Dec	601.5	604.5	594.0	602.5
Jan	605.9	608.0	605.0	606.9
March	614.4	617.5	609.5	615.5
May	623.1	624.0	619.0	624.3
July	632.6	631.5	629.0	634.0
Sept	642.5	647.0	640.0	644.0
Dec	657.9	660.0	652.0	658.4

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Oct	5.29	5.30	5.10	5.28
Jan	5.53	5.37	5.24	5.46
March	5.95	5.96	5.75	5.87
May	6.72	6.12	5.91	6.08
July	6.30	6.30	6.11	6.27
Oct	6.73	6.76	6.50	6.66
Jan	6.90	—	—	6.94

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	56.92	56.95	55.90	56.85
Dec	59.90	60.00	58.70	58.90
Feb	58.45	58.50	57.35	57.27
April	59.40	59.60	58.40	58.27
June	60.40	60.50	59.40	59.22
August	58.90	59.20	58.25	58.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	39.15	39.20	38.25	38.27
Dec	41.45	41.50	40.15	40.40
Feb	41.95	42.00	41.10	41.22
April	39.12	39.32	38.65	38.62
June	42.43	42.85	42.25	42.22
July	43.37	43.40	42.65	42.57
August	42.35	42.85	42.10	42.15
Oct	39.40	39.40	39.40	38.95
Dec	39.70	39.70	39.70	39.32

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Sept	229.4	230.4	228.2	230.2
Dec	219.2	222.0	219.0	222.2
March	229.4	232.0	229.2	232.2
May	235.2	237.6	234.6	236.8
July	237.0	240.4	237.0	241.0
Sept	229.4	232.2	229.4	233.2
Dec	226.6	229.4	226.4	230.6

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	62.85	62.90	61.35	61.85
March	62.97	63.00	61.50	62.00
May	63.96	64.07	62.65	63.10
July	64.25	64.30	63.10	63.67
August	62.32	62.50	61.25	61.67

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	515.4	518.4	512.4	518.2
Jan	526.4	529.6	524.4	529.2
March	538.2	541.0	536.4	540.4
May	548.2	551.0	546.4	550.2
July	553.4	556.4	551.4	555.4
August	552.0	554.4	551.0	554.0
Sept	542.0	—	—	543.0
Nov	542.0	543.0	539.0	542.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	130.1	131.0	129.5	131.1
Oct	131.0	132.1	130.5	132.0
Dec	135.3	136.3	134.7	135.9
Jan	135.8	137.8	136.0	137.4
March	139.4	140.5	139.0	140.3
May	142.0	142.0	141.5	142.5
July	144.0	145.0	143.5	144.5
August	144.5	145.0	144.0	145.7
Sept	142.2	—	—	142.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Sept	21.84	21.96	21.78	21.94
Oct	21.28	21.35	21.24	21.35
Dec	21.24	21.33	21.17	21.33
Jan	21.40	21.48	21.36	21.48
March	21.78	21.85	21.70	21.83
May	22.06	22.10	22.00	22.12
July	22.30	22.40	22.30	22.32
August	22.35	22.40	22.30	22.37
Sept	22.35	22.35	22.25	22.30
Oct	22.32	—	—	22.35

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	283.4	286.4	282.0	282.0
Dec	294.0	296.6	293.2	296.2
March	299.6	303.0	299.2	302.6
May	297.6	301.0	296.0	301.4
July	278.6	283.0	278.6	282.6
Sept	281.4	283.0	281.4	285.0

SPOT PRICES — Chicago loose lard 15.50 (16.00) cents per pound. New York tin 582.0-88.0 (587.0-88.0) cents per pound. Handy and Harman silver bullion 588.0 (596.0) cents per troy ounce.

POTATOES

The market opened 30p lower, basis April, and nervously fell a further 90p. The afternoon remained quiet, with sellers reserved below the £80.00 level. Towards the close short-covering, sparked possibly by the failure to penetrate support levels, led to a recovery in thin conditions, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Nov	52.30	52.80	52.50-51.80
Feb	65.50	64.20	—
Apr	80.60	80.80	88.60-74.60
May	86.50	87.00	86.00

Sales: 289 (433) lots of 40 tonnes.

SOYABEAN MEAL

The market opened £1 higher on continued strength on the cash market, reports T. G. Roddick. Prices rallied on trade and commission house buying.

	Yesterday close £ per tonne	+ or —	Business Done
October	123.0-124.8	+1.85	—
Dec.	126.0-126.4	+1.85	126.1-126.5
Feb.	129.2-129.8	+1.85	129.5
Apr.	130.0-130.6	+1.45	130.0-129.5
June	130.0-130.6	+1.55	130.0-128.0
August	130.0-132.0	+1.00	—
October	130.0-164.0	+0.75	—

Sales: 379 (302) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $133.50 (£100.00), down $3.00 (down £2.00) a tonne for Sept-Oct delivery. White sugar $172.50, down $6.00.

Long liquidation in the prompt October position in New York put the market on to the defensive, but prices rallied towards the close, reports C. Czarnikow.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Oct	139.0-140.0	136.0-137.6	139.0-135.8
Dec	146.4-146.8	145.0-145.4	146.2-146.8
Mar	156.4-156.6	154.6-156.0	156.6-152.8
May	160.8-161.0	157.8-158.4	158.0-158.0
Aug	166.0-166.6	164.0-164.6	165.8-165.8
Oct	171.2-172.2	169.6-170.8	169.0-168.0

Sales: 3,546 (2,458) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £204.00 (£206.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for September 17: Daily price 5.31 (5.40); 15-day average 5.06 (5.01).

PARIS—(FFr per tonne): Dec 1520/1521, Mar 1545/1546, May 1587/1588, Aug 1630/1635, Oct 1680/1690, Dec 1720/1740.

OIL

Trading in crude oil was particularly thin. Nymex opened 2c down for October and traded 6c down at 1 pm EDT. In the petroleum products market there was little change in thin trade. Gas oil firmed slightly, while naphtha and heavy fuel were marginally down—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—Oct.		
Arab Light	27.25-27.55	—0.15
Arab Heavy	26.25-26.55	—
Dubai	26.00-26.10	—
Brent Blend	27.20-27.25	—0.025
W.T.I. (1pm est)	27.90-28.10	—0.10
Forcados (Nigeria)	27.90-28.10	—
Urals (cif NWE)	26.25-27.25	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	257-259	—
Gas Oil	250-253	+1
Heavy fuel oil	137-140	—2.5
Naphtha	249-251	—1.5

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
Oct	246.50	+2.00	247.50-45.00
Nov	242.00	+2.50	242.50-41.00
Dec	239.00	+3.00	239.50-37.50
Jan	236.50	+2.75	236.50-35.00
Feb	231.50	+1.00	231.50-31.00
Mar	229.50	+1.50	—

Turnover: 1,761 (1,615) lots of 100 tonnes.

FREIGHT FUTURES

A continued firming of physical rates was the impetus for a gradual rise in futures, reports Clarkson Wolff. The Baltic Freight Index was 765, up 4.5.

	Close	High/Low	Prev.
Oct.	846/848	848/843	838/839.5
Jan.	893/895	890	885/890
April	947/948	947/945	935/935
July	870/875	875/870	865/870
Oct.	940/975	—	930/960
Jan.	990/1000	—	980/1000
April	1000/1050	—	1000/1050
July	980/985	—	950/1000

Turnover: 94 (87).

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar moves in narrow range

The dollar finished around the middle of the day's range, in rather thin foreign exchange trading, after slightly disappointing figures on U.S. housing starts. The reason for the dollar's recovery from a low of DM 2.8895, appeared to be the failure of selling pressure to develop after the U.S. currency had breached the technical support level of DM 2.8950. Trading is in a narrow range at present, with dealers reluctant to take positions ahead of tomorrow's flash estimate third quarter U.S. gross national product announcement and the revision to the second quarter GNP figure. A rise of 6.2 per cent in August housing starts compared with market forecasts in the region of 9 per cent, while the fall in July was revised to 3.2 per cent from 2.4 per cent. Apart from this, there were no other factors to influence trading.

The dollar rose to DM 2.9030 from DM 2.8920; FFr 8.86 from FFr 8.81; SwFr 2.3880 from SwFr 2.38; and Y242.10 from Y241.65. On Bank of England figures the dollar's index rose to 140.6 from 140.0.

STERLING — Trading range against the dollar in 1985 is 1.4298 to 1.0525. August average 1.3838. Exchange rate index closed unchanged at 81.1, the highest point of the day. It opened at 80.8, and fell to a low of 80.6 at 9.00 am.

Sterling showed small mixed changes, weakening against the dollar and Japanese yen, but improving in terms of European currencies. Rumours about escalation of the Gulf War and press reports about increased Saudi Arabian oil production had little or no impact on the pound. Sterling lost 35 points to $1.3355-1.3365, and fell to Y323.50 from Y323.75, while rising to DM 3.8775 from DM 3.8750 and FFr 11.8375 from FFr 11.80.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.7425. August average 2.7936. Exchange rate index 124.9 against 119.4 six months ago.

The D-mark lost ground to the dollar in Frankfurt yesterday, but the U.S. currency finished below its best, after disappointing U.S. housing start figures. The latest spy revelations surrounding the German Government did nothing to help the D-mark, but the effect was subdued, amid the focus on U.S. data. The rate of growth of the U.S. economy remains the main factor, with little attention paid to interest rate or political considerations at the moment. German interest rates remained very soft, falling as low as 4.30 per cent for call money, but the move was regarded as technical, and likely to change when tax payments drain liquidity. The dollar closed towards the lower end of the day's range, and was quoted at DM 2.89675 compared with DM 2.8725 previously. Earlier in the day it was fixed at DM 2.9095 against DM 2.8784. Sterling rose to DM 3.8740 from DM 3.8670 at the fixing, despite fears about falling oil prices.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu September 18	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.9928	+0.36	+0.72	±1.5425
Danish Krone	8.12857	8.06385	−0.80	−0.44	±1.6421
German D-mark	2.23840	2.22820	−0.46	−0.10	±1.1455
French Franc	6.86402	6.79027	−1.07	−0.71	±1.3654
Dutch Guilder	2.52208	2.50390	−0.72	−0.36	±1.5162
Irish Punt	0.724578	0.716068	−1.17	−0.81	±1.6673
Italian Lira	1520.60	1494.14	−1.74	−1.74	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	Sept 18	Previous
8.30 am	80.8	80.7
9.00 am	80.6	80.8
10.00 am	80.8	81.0
11.00 am	80.8	80.9
Noon	80.8	80.9
1.00 pm	80.8	81.0
2.00 pm	80.9	81.0
3.00 pm	80.9	81.0
4.00 pm	81.1	81.1

£ IN NEW YORK

	Sept. 18	Prev. close
£ Spot	$1.3345-1.3360	$1.3385-1.3375
1 month	0.39-0.36pm	0.38-0.37 pm
3 months	1.04-1.00pm	1.04-1.01 pm
12 months	2.70-2.60pm	2.69-2.60 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

Sept 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3275-1.3425	1.3355-1.3365	0.39-0.36c pm	3.37	1.03-0.98 pm	3.01
Canada	1.8340-1.8482	1.8396-1.8425	0.46-0.37c pm	2.71	1.08-0.93 pm	2.18
Nethlnd.	4.34¾-4.36½	4.35-4.36	2⅛-2c pm	5.68	6-5¾ pm	5.40
Belgium	78.04-78.46	78.30-78.40	22-15c pm	2.83	52-39 pm	2.32
Denmark	13.99¾-14.04	14.00¾-14.01¾	4-3ore pm	3.00	10¼-9 pm	2.76
Ireland	1.2430-1.2477	1.2461-1.2471	0.28-0.12p pm	1.93	0.62-0.33 pm	1.52
W. Ger.	3.86¾-3.88½	3.87¼-3.88¼	2⅝-2¼pf pm	7.16	6⅝-6½ pm	6.77
Portugal	228½-234¼	230¼-233¼	65-405c dis	−12.14	415-1415dis	−15.76
Spain	229½-230¼	228¾-229½	par-35c dis	−0.92	20-120 dis	−1.22
Italy	2587½-2606½	2596½-2597½	par-3lire dis	−0.69	6-10 dis	−1.23
Norway	11.28½-11.36½	11.35½-11.36½	½-1¼ore dis	−0.92	3-3⅞ dis	−1.21
France	11.76-11.84¼	11.83¼-11.84¼	2-1½c pm	1.77	5-3⅞ pm	1.50
Sweden	11.31-11.40¾	11.31-11.31½	4-4½ore dis	−4.51	10½-11¼dis	−3.85
Japan	321½-324½	323-324	1.40-1.30y pm	5.01	3.95-3.85 pm	4.82
Austria	27.08-27.25	27.09-27.13	15½-13½gro pm	6.42	42½-38½ pm	5.98
Switz.	3.17½-3.19½	3.18½-3.19½	1⅞-1⅝c pm	6.82	5½-5¼ pm	6.74

Belgian rate is for convertible francs. Financial franc 78.70-78.80. Six-month forward dollar 1.75-1.70c pm. 12-month 2.73-2.58c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Sept 18	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3275-1.3425	1.3355-1.3365	0.39-0.36c pm	3.37	1.03-0.98 pm	3.01
Ireland†	1.0675-1.0755	1.0702-1.0712	0.18-0.08c pm	1.46	0.50-0.30 pm	1.50
Canada	1.3772-1.3790	1.3775-1.3780	0.06-0.09c dis	−0.65	0.26-0.31dis	−0.83
Nethlnd.	3.2470-3.2765	3.2585-3.2595	0.65-0.62c pm	2.33	1.98-1.95 pm	2.40
Belgium	58.45-58.85	58.60-58.70	2-3c dis	−0.51	11-13 dis	−0.82
Denmark	10.48-10.53¼	10.48¼-10.48¾	par-½ore dis	−0.29	½-1 dis	−0.29
W. Ger.	2.8895-2.9150	2.9025-2.9035	0.92-0.87pf pm	3.69	2.75-2.70 pm	3.75
Portugal	174-175	174-175	100-350c dis	−15.47	450-1200dis	−18.91
Spain	171¼-173	172-172¼	45-70c dis	−4.00	150-225 dis	−4.34
Italy	1941-1951½	1943½-1944½	6-7½lire dis	−4.16	20½-22 dis	−4.36
Norway	8.44-8.50½	8.50-8.50½	3-3½ore dis	−4.42	9-9½ dis	−4.30
France	8.81-8.88	8.85¼-8.86¼	1.02-1.12c dis	−1.45	3.45-3.75dis	−1.62
Sweden	8.46½-8.54¾	8.46½-8.47	5¼-5¾ore dis	−7.73	14½-14¾ dis	−6.86
Japan	241.50-242.40	242.05-242.15	0.36-0.32y pm	1.69	1.13-1.08 pm	1.83
Austria	20.31-20.46	20.34-20.38	5½-5gro pm	3.06	16½-13¼ pm	2.94
Switz.	2.3730-2.3950	2.3875-2.3885	0.76-0.70c pm	3.67	2.22-2.16 pm	3.67

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 58.90-59.00.

OTHER CURRENCIES

Sept 18	£	$		£ Note Rates
Argentina Austl.	1.0698-1.0718	0.8000-0.8010	Austria	27.10-27.40
Australia Dollar	1.9535-1.9576	1.4620-1.4640	Belgium	78.25-79.05
Brazil Cruzeiro	9,974-10,028	7,460-7,495	Denmark	13.93-14.07
Finland Markka	8.1780-8.1950	6.1335-6.1365	France	11.75-11.87
Greek Drachma	183.15-187.30	137.64-140.51	Germany	3.86-3.90
Hongkong Dollar	10.4525-10.4625	7.8160-7.8180	Italy	2560-2620
Iran Rial	121.30*	90.40*	Japan	322-326
KuwaitDinar(KD)	0.4085-0.4095	0.30580-0.30590	Netherlands	4.33-4.37
LuxembourgFr.	78.30-78.40	58.60-58.70	Norway	11.24-11.35
Malaysia Ringgit	3.3415-3.3615	2.4985-2.5005	Portugal	225-240
NewZealand Dlr.	2.5180-2.5255	1.8870-1.8905	Spain	222-232
Saudi Arab. Riyal	4.8805-4.8865	3.6505-3.6520	Sweden	11.30-11.42
Singapore Dollar	2.9450-2.9575	2.2025-2.2125	Switzerland	3.17-3.20
Sth African Rand	3.3885-3.4146	2.5315-2.5610	United States	1.32⅛-1.34⅛
U.A.E. Dirham	4.9090-4.9146	3.6720-3.6750	Yugoslavia	415-455

* Selling rate.
Rand Financial Rate: 2.5975-2.6665 ($) and 3.4770-3.5650 (£)

CURRENCY MOVEMENTS

Sept. 18	Bank of England Index	Morgan Guaranty Change %
Sterling	81.1	−9.0
U.S. dollar	140.6	+27.3
Canadian dollar	85.9	−8.2
Austrian schilling	115.4	+4.4
Belgian franc	90.7	−10.6
Danish Kroner	79.0	−5.4
Deutsche mark	124.9	+8.0
Swiss franc	147.0	+11.6
Guilder	115.6	+4.4
French franc	65.9	−14.0
Lira	48.9	−20.5
Yen	157.0	+13.2

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Sept. 18	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.762919	0.574735
U.S.$	7½	1.01659	0.765835
Canadian $	9.87	*	1.05570
Austria Sch.	4	20.7669	15.6385
Belgian Fr.	9½	59.6657	44.9928
Danish Kr.	7	10.6996	8.06386
D mark	4	N/A	2.22820
Guilder	5	3.31866	2.50390
French Fr.	9½	9.00089	6.79027
Lira	15½	1982.86	1494.14
Yen	5	245.710	185.432
Norway Kr.	8	8.62577	6.49543
Span'h Pta.	—	175.413	132.145
Swedish Kr.	10½	8.67304	6.53372
Swiss Fr.	4	2.43067	1.83057
Greek Dr'ch	20½	141.504	106.505
Irish Punt	13½	0.950528	0.716068

*C$/SDR rate for September 17: 1.40408

EXCHANGE CROSS RATES

Sept. 18	Pound St'ling	U.S. Dollar	Deutschemk.	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.335	3.878	323.5	11.84	3.190	4.355	2597.	1.841	78.35
U.S. Dollar	0.749	1.	2.903	242.1	8.860	2.388	3.259	1944.	1.378	58.65
Deutschemark	0.258	0.345	1.	83.43	3.053	0.823	1.123	669.8	0.475	20.21
Japanese Yen 1,000	3.091	4.130	11.99	1000.	36.59	9.861	13.46	8028.	5.691	242.2
French Franc 10	0.845	1.129	3.276	273.3	10.	2.695	3.679	2194	1.555	66.19
Swiss Franc	0.313	0.419	1.216	101.4	3.711	1.	1.365	814.1	0.577	24.56
Dutch Guilder	0.230	0.307	0.890	74.28	2.718	0.732	1.	596.3	0.423	17.99
Italian Lira 1,000	0.385	0.514	1.493	124.6	4.558	1.228	1.677	1000.	0.709	30.17
Canadian Dollar	0.543	0.726	2.106	175.7	6.430	1.733	2.366	1411.	1.	42.56
Belgian Franc 100	1.276	1.705	4.949	412.9	15.11	4.071	5.558	3315.	2.350	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 18	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	11⅛-11⅜	7¾-7⅞	7⅞-8⅜	5¾-6	1-1¼	4⅛-4⅛	9⅝-9⅞	11-15	8⅜-8⅝	8⅛-8¾	6¼-6½	8½-9
7 days' notice	11⁷⁄₁₆-11⁹⁄₁₆	8-8⅛	8¼-8½	5¾-6	1⅛-1⅜	4¼-4⅜	9⅝-9½	12½-14	8⅝-8⅞	8¾-9	6⅜-6⅝	9-9½
Month	11½-11⅝	8-8⅛	8½-8¾	5⅝-5⅞	4⅜-4⅛	4⅜-4½	9½-9⅝	12-13	8⅝-8⅞	8⅞-9⅛	6⅛-6⅛	8⅞-9⅜
Three months	11⅝-11¾	8⅛-8¼	8⅝-9⅛	5⅝-5⅞	4⅛-4⅛	4⅜-4½	9⅝-9⅞	12½-13	9-9¼	9⅛-9⅜	6⅜-6⅝	8¾-9¼
Six months	11⅝-11¾	8⅜-8½	9⅛-9⅜	5¾-5⅞	4⅝-4¾	4⅜-4½	9¾-10⅛	12¾-13¼	9¼-9½	9⅛-9¾	6⅛-6⅝	8¾-9¼
One year	11⅛-11¼	8⅝-8⅞	9⅝-10⅛	5⅝-5⅞	4⅝-4¾	4⅜-4½	11-11¼	13½-14	9⅝-9⅞	9⅝-9⅞	6⅝-6⅞	9⅛-9⅝

Asian $ (closing rates in Singapore): Short-term 7⅞-8 per cent; seven days 7⅞-8 per cent; one month 8³⁄₁₆-8⁵⁄₁₆ per cent; three months 8⅜-8½ per cent; six months 8⅜-8½ per cent; one year 8¹¹⁄₁₆-8¹³⁄₁₆ per cent. Long-term Eurodollars: two years 9⅜-9⅝ per cent; three years 10⅛-10⅜ per cent; four years 10⅜-10⅝ per cent; five years 10⅝-10⅞ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Nervous and confused trading in London

Interest rates were little changed from Tuesday in London yesterday as the market showed a general lack of direction. This was reflected in a further flattening of the yield curve out to one year. Three-month interbank money was quoted at 11⅞-11¹⁵⁄₁₆ per cent compared with 11⅝-11½ per cent while three-month eligible bank bills were bid at 11½ per cent unchanged from Tuesday. Overnight interbank money touched a peak of 12½ per cent with late balances taken down to 8 per cent.

The Bank of England forecast a shortage of around £300m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £190m and Exchequer transactions a further £25m. There was also a rise in the note circulation of £90m.

> UK clearing banks base lending rate 11½ per cent since July 30.

These were partly offset by banks' balances brought forward £30m above target.

The Bank gave assistance in the morning of £303m comprising purchases of £157m of eligible bank bills in band 2 (15-33 days) at 11⁷⁄₁₆ per cent and in band 3 (34-63 days) £18m of local authority bills and £100m of eligible bank bills all at 11½ per cent. In band 4 (64-91 days) it bought £28m of eligible bank bills at 11⁷⁄₁₆ per cent.

The forecast was later revised to a shortage of around £350m before taking into account the early help and the Bank gave additional assistance of £22m, comprising purchases of £20m of eligible bank bills in band 2 at 11⁷⁄₁₆ per cent and £2m in band 3 at 11½ per cent. Late assistance came to £25m, making a total of £350m.

In Frankfurt call money was freely on offer at 4.3 per cent. The excess of liquidity in the market was a result of mid-month tax payments being postponed. Commercial banks have been unwilling therefore to tie up any significant amount of this apparent excess by buying three-day Treasury bills from the Bundesbank at 4.3 per cent since this would lock funds in until next Monday. Up to DM 2bn of these bills may have been taken up but this was seen as a relatively small amount and unlikely to affect call money rates. In the absence of any firm date for the payment of taxes on behalf of corporate customers, banks have preferred to offer funds as low as 4.25 per cent, the loss of interest being deemed a tolerable premium to maintain flexibility.

MONEY RATES

Sept. 17	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	4.30-4.45	9⅛	⅞-1⅛	5¾-5⅞	6.28125	14⅛-14½	6.35	—
One Month	4.65-4.85	9⅛-9⅜	4⅜-4⅛	5¾-5⅞	6.50000	13⅝-14	8⅞-9⅛	9⅝-9⅞
Two Months	4.6-4.7	9⅛-9¼	—	—	—	—	—	9¾-10
Three Months	4.6-4.7	9⅛-9¼	4½-4⅝	5¾-5⅞	6.375	13⅞-14¼	9⅛-9⅜	9⅞-10⅛
Six Months	4.60-4.75	9¾-9⅞	—	5⅝-5¾	—	—	9⅝-9⅞	10-10¼
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	9⅛	—	—	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Sept. 18 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-12½	9¼-11¼	9⅛-11¼	7-11¼	—	—	—	—	—
2 days notice	—	—	11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11¼-11⅛	11¼-11⅜	11½	11⅛-11¼	—	—	—	—	—
One month	11⅛-11⅜	11⅜-11½	11⁷⁄₁₆	11⅝	11⅜	11⁷⁄₁₆	11⅜	11⁷⁄₁₆	11⅜	11⁷⁄₁₆
Two months	11½-11⅜	11⁷⁄₁₆-11⅝	11⁷⁄₁₆	11⅝	11¼	11¼	11⅜	11¼	11⁷⁄₁₆	11⅞
Three months	11⅛-11⅜	11⁷⁄₁₆-11⅝	11⁷⁄₁₆	11⅝	11	11⅛	11	11⅝-11⁷⁄₁₆	11⅛-11⅜	11⅝
Six months	11⅜-11⅝	11¼-11½	11¼	—	—	—	—	10¹⁵⁄₁₆-10⅞	10⅞-10¹⁵⁄₁₆	11⅝
Nine months	11⁷⁄₁₆-10¹⁵⁄₁₆	11⅝-11⅞	11⅜	—	—	—	—	—	—	—
One year	11⁷⁄₁₆-10¹⁵⁄₁₆	11⅝-11⅞	11⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11⅜	—	11⅛	7.9-8.0	7⅛-7⅜	7⅞-8⅛
Two months	11⅜	—	11⅛	7.95-8.05	7⅝-7⅞	8⅛-8⅜
Three months	11⅜	—	11⅛	8.0-8.1	7⅝-7⅞	8⅛-8⅜
Six months	11⅝	—	11⅝	8.2-8.3	7⅞-8⅛	8⅝-8¾
Nine months	11⅝	—	11¼	8.45-8.55	—	—
One year	11⅛	11	11¼	8.6-8.7	8⅛-8⅜	8⅜-8⅝
Two years	—	11	—	—	—	—
Three years	—	11	—	—	—	—
Four years	—	11	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Finance IV: Average rate of interest period August 7 to September 3 (inclusive): 11.574 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. *Finance Houses Base Rate* (published by the Finance Houses Association): 12 per cent from September 1, 1985. London and Scottish Clearing Bank Rates for lending 11½ per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (net). Treasury Bills: Average tender rate of discount 11.0911 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11¼ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nine months 11½ per cent; nine-12 months 11¾ per cent. Under £100,000 10¾ per cent from September 12. Deposits held under Series 5 11¾ per cent. The rate for all deposits withdrawn for cash 7½ per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept. 18)

3 months U.S. dollars	
bid 8 1/8	offer 8 1/4
6 months U.S. dollars	
bid 8 3/8	offer 8 1/2

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	8¼-9
Fed funds	7⅞
Fed funds at intervention	—
Treasury Bills	
One month	6.94
Two month	7.19
Three month	7.23
Six month	7.70
One year	8.08
Treasury Bonds	
Two year	9.03
Three year	9.41
Four year	9.67
Five year	9.89
Seven year	10.29
10 year	10.41
30 year	10.65

FINANCIAL FUTURES

Little change

Trading was rather erratic and disjointed in the London International Financial Futures Exchange yesterday ahead of tomorrow's third quarter U.S. GNP flash estimate. Euro-dollar and U.S. bond futures opened at the day's highs, having discounted news of attempts to raise the U.S. debt ceiling. However values trod a downward path for the rest of the day once again influenced by GNP estimates.

U.S. banks were believed to have revised their estimates upwards, causing downward pressure on prices. However some dealers were already showing some scepticism as to how true a picture the flash estimate was likely to give.

However the market seemed content to base its plan of action on previous experience, suggesting that long dollar positions may be preferable to the risk of burnt fingers.

Sterling based instruments were lower, failing to better opening levels as sterling showed a weaker trend

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	91.38	91.44	91.37	91.46
March	91.03	91.09	91.03	91.12
June	90.68	90.75	90.67	90.78
Sept	90.35	90.42	90.35	90.46
Dec	90.04	90.08	90.03	90.15
March	89.74	89.78	89.77	89.84
June	89.46	89.58	89.51	89.56

Est. volume 3,641 (2,888)
Previous day's open int. 17,607 (16,586)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
Dec	89.04	89.06	88.96	89.10
March	89.35	89.37	89.31	89.40
June	89.39	89.40	89.33	89.42
Sept	89.44	89.40	89.40	89.47
Dec	89.50	89.43	89.43	89.52

Est. volume 2,237 (2,752)
Previous day's open int. 6,141 (5,939)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	111-18	—	—	111-19
Dec	111-20	111-22	111-13	111-21
March	111-30	—	—	111-31

Est. volume 1,336 (2,369)
Previous day's open int. 3,620 (3,253)
Basis quote (clean cash price of 13¼% Treasury 2004-08 less equivalent price of near futures contract) −6 to +4 (32nds).

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

	Close	High	Low	Prev
Dec	97-41	97-45	97-40	97-47
March	97-56	—	—	97-62

Est. volume 647 (1,279)
Previous day's open int. 1,008 (810)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	133.10	133.20	131.95	133.70
March	132.35	131.60	131.56	132.95
June	131.85	—	—	132.45

Est. volume 212 (122)
Previous day's open int. 2,709 (2,699)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3482	0.3479	0.3466	0.3513
March	0.3515	0.3505	0.3505	0.3547

Est. volume 76 (117)
Previous day's open int. 403 (399)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4237	0.4226	0.4217	0.4267
March	0.4276	0.4253	0.4263	0.4305

Est. volume 47 (50)
Previous day's open int. 241 (244)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4156	0.4152	0.4148	0.4164
March	0.4180	0.4174	0.4174	0.4187

Est. volume 34 (34)
Previous day's open int. 240 (238)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	129.70	129.85	128.70	129.40
Dec	130.40	130.40	129.90	130.00

Est. volume 399 (487)
Previous day's open int. 1,746 (1,691)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	76-04	76-18	76-05	76-20
Dec	74-25	75-07	74-23	75-11
March	73-23	—	—	74-09

Est. volume 2,357 (2,171)
Previous day's open int. 2,508 (2,223)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	76-05	76-11	76-04	76-08
Dec	74-26	75-03	74-22	74-29
March	73-23	74-00	73-20	73-27
June	72-22	72-31	72-22	72-27
Sept	71-28	71-27	71-26	71-30
Dec	70-31	71-08	70-31	71-03
March	—	—	—	70-11
June	69-18	69-18	69-18	69-21
Sept	—	—	—	—
Dec	—	—	—	68-14
March	—	—	—	67-29

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.99	93.03	92.92	92.89
Dec	92.64	92.68	92.62	92.62
March	92.31	92.34	92.31	92.29
June	91.99	92.01	91.99	91.98
Sept	91.70	91.72	91.70	91.68
Dec	91.42	91.45	91.42	91.40
March	—	—	—	91.14
June	—	—	—	90.90

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.09	92.09	—	92.05
Dec	91.71	91.73	91.69	91.70
March	—	—	—	91.34
June	—	—	—	91.00

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.38	91.43	91.36	91.37
March	91.01	91.06	91.00	91.02
June	90.66	90.72	90.66	90.68
Sept	—	—	—	—
Dec	90.03	90.05	90.03	90.06
March	89.75	89.78	89.75	89.77
June	89.47	89.50	89.47	89.49

STERLING (IMM) $ per £

	Latest	High	Low	Prev
Dec	1.3300	1.3300	1.3215	1.3235
March	1.3215	1.3220	1.3130	1.3160
June	1.3120	1.3180	1.3100	1.3120
Sept	—	—	—	1.3335

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	76-16	76-18	76-15	76-12
Dec	75-08	75-11	75-07	75-12
March	—	—	—	74-19
June	73-22	73-24	73-22	73-27
Sept	—	—	—	73-04

LIFFE OPTIONS REPORT

Sterling Currency—£25,000 c per £ ... Eurodollar Future—points of 100% ... U.S. economic figures on Friday. Options volume moderate. ... Options quiet.

	Previous day's open interest		Previous day's open interest
Est volume Calls 440 Puts 350	Calls 5642 Puts 5718	Est volume Calls 0 Puts 80	Calls 848 Puts 807

For full details of settlement prices call: Louise Powell of LIFFE on 01-623 0444
LIFFE, ROYAL EXCHANGE, LONDON EC3V 3PJ

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101	99	Exch. 12¼pc 1985	99		12.25	11.67
101	99	Exch. 11¼pc '86	100	+	11.72	11.03
99	97	Treas. 10pcCnv 1986	99		10.05	11.04
96¼	92¼	Treas 3pc 1986	96¼	+	3.11	9.11
100	97½	Exch. 10½pc Cv '86	99		10.54	10.99
101	99¼	Treas 12pc 1986	100		11.93	10.97
98	94	Treas 8½pc 1984-86‡‡	98¼		8.65	10.74
105	102	Exch. 14pc 1986	103	–	13.58	10.89
94	87	Exch. 2½pc 1986	94¼		2.65	7.69
104	101	Exch. 13¼pc 1987	102		12.86	10.79
99	96	Treas 10¼pcCv '87	99		10.32	10.72
92	85½	Exch 2½pc 1987	92	–	2.70	7.94
100	96	Exch. 10½pc 1987	99	–	10.53	10.71
94	89	Funding 6½pc '85-87‡‡	94		6.90	10.48
99	95½	Treas. 10pc 1987	98	–	10.11	10.69
91	84	Treas 3pc 1987	91	+	3.29	8.57
102	99	Treas. 12pc 1987	102		11.75	10.80
95	90	Treas 7¾pc 1985-88‡‡	94		8.18	10.31
99	95	Exch 10½pc '88	99	–	10.56	10.70
97	93	Treas 9¾pc Cv '88	97	–	9.99	10.78
86½	80	Transport 3pc '78-88	86		3.48	8.71
96	91½	Treas. 9½pc '88	96	–	9.82	10.76
102	97½	Treas 11½pc 1989	102	–	11.27	10.73
96	90	Treas 9½pc Cnv. '89	96	–	9.86	10.79
82	79	Treas 3pc 1989	82		3.63	8.67
99	94	Treas 10½pc 1989	99	–	10.56	10.66
98	92	Exch 10pc 1989	97½	–	10.26	10.79
101	95	Exch 11pc 1989	100	–	10.92	10.77
85	79	Treas 5pc 1986-89	85	–	5.83	9.29
108	103	Treas 13pc 1990‡‡	107	–	12.05	10.64
101	96	Exch 11pc 1990‡‡	100	–	10.91	10.72
108	100	Exch 12½pc 1990	106	–	11.77	10.73
[illegible]	[illegible]	[illegible]	77	+	3.85	8.91

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

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BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

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DRAPERY & STORES—Cont.

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ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1985 High	1985 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
48	28	Malomet Hldgs 10p	40		—	—	—	ϕ
390	202	Man. Ship Can £1	384	+1	5.5	3.5	2.0	20.2
104	70	Marley	86	+1	3.75	2.2	6.2	10.4
107	52	Marling Ind 10p	97	−2	d1.5	5.1	2.2	12.4
80	36	Marshall L'xy. 'A'	78	−2	2.4	4.9	4.4	5.6
77	57	Marshall's Universal	59	−1	2.0	1.4	4.8	(23.7)
86	78	Do 7½pcCoRedPf £1	82		7½%	—	13.1	—
		For Martin-Black see Dean Park Hotels in Recent Equities						
£99	£81	Mathesons 7¾%	£99		Q7¾%	2.3	(7.9	—
35	22	Macsprint 1p	22	−1	—	—	—	—
510	375	Metal Box £1	498	+3	17.25	3.1	4.9	7.5
170	110	Metal Closures	114xd		6.7	2.0	8.4	7.1
17	3	Metal Sciences 2½p	6		—	—	—	—
104	73	Midland Marts	80		4.0	2.1	7.1	9.6
83½	55½	Mitchell Cotts	60	+½	M4.0	1.5	9.5	8.6
230	182	Morgan Crucible	193	+1	t8.0	1.6	6.0	13.1
32½	22	Morris (W) F.A. 20p	32		g0.5	ϕ	2.2	ϕ
116	91	Moss (Robt.) 10p	115		3.0	2.5	3.7	12.7
81	64	Myson Grp 10p	64		g2.5	3.4	5.6	12.2
328	214	MMW Computers	255	−5	h4.8	2.7	2.7	19.6
43	28	Nash Inds.	33		t2.5	1.5	÷	7.6
48	16	Neil & Spencer 10p	17	−1	ϕ	—	—	5.1
44	14½	Newman Inds 10p	34	−2	—	—	—	(16.1)
41	26	Nolton	40	+1	t1.17	4.5	4.2	7.7
189	146	Norcros	183		8.6	2.2	6.7	9.1
67	48	Nu-Swift 5p	49		3.0	1.6	8.7	9.4
111	68	Oakwood Grp	107		td4.5	1.4	6.0	(15.7)
250	150	Office & Elect	246		7.5	2.4	4.4	13.5

LEISURE—Continued

1985 High	1985 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
202	170	Chrysalis	200		5.6	2.6	4.0	13.0
52	7	Entertain Prod 5p	15xd		bd2.25	2.1	21.4	2.6
78	50	Fairline Boats 10p	74		t2.63	2.6	5.1	10.5
326	228	First Leisure £1	323xd		16.5	2.8	2.9	15.1
69	51	GRA Group 5p	61½	+½	—	—	—	82.1
32	25	Grampian TVA 10p	28		h1.67	ϕ	8.5	ϕ
155	117	HTV Non/Vtg.	150	−3	b7.0	2.9	6.7	6.8
148	95	Horizon	100		ϕ4.4	3.6	6.3	4.5
184	90	Insight	146xd		t2.5	6.5	2.4	9.0
		For Intasun see International Leisure						
140	102	Intal Leisure 10p	130		4.8	3.1	5.3	7.1
232	165	Juliana's Hldgs 2p	165	−2	2.0	1.8	1.5	27.2
300	217	LWT	290	−2	14.4	2.3	7.1	8.8
30	25	Leisure Inv 10p	28		—	—	—	4.9
65	53	Leisuretime Int 10p	56		t2.1	3.9	5.4	6.0
		For Maquet Ag M see Chrysalis						
183	153	Media Tech Int 20p	180xd		g2.58	ϕ	2.0	ϕ
205	124	Medminster 10p	200		t4.85	2.6	3.5	13.5
280	175	Miss World 10p	215		3.6	4.1	2.4	14.7
127½	70	Nationwide Leisure	80xd		13.75	2.5	6.7	7.1
99	15	Nimslo Int 20c	18	−½	—	—	—	—
25	19½	Owners Abroad	24		1.0	2.2	6.0	10.7
53	38	Phonix (Lon.)	44		—	—	—	—
24½	20	P'dilly Radio NV 5p	23½		1.87	1.1	12.5	10.6
90	30	Pineapple Dnc St 10p	40		d1.5	1.2	5.4	21.5
298	183	Pleasurama 5p	298	+10	th4.6	3.7	2.2	17.7
146	109	Do. 7pcCvCmRedPf	146	+3	7%	—	6.8	—
96	77½	Pres Entertain 50p	92		M2.0	2.1	3.1	21.7
65	27	Radio City 'A' NV	27		t5.6	0.9	‡	5.4

MINES—Continued

Tins

1985 High	1985 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
290	212	Ayer Hitam SM1	248		vQ140c	1.0	17.0
250	168	Geevor	170		12.0	ϕ	10.1
175	90	Gopeng Berhad MS0.50	100		gS0.16	ϕ	5.7
650	650	Hongkong	650#		—	—	—
27	11	Jantar 12½p	21		2.5	ϕ	17.0
55	34	Malaysia Mng. 10c	35		vQ6c	ϕ	5.0
38	17	Pahang	17#		6—	—	—
650	200	Pengkalen 10p	250		—	—	—
275	165	Petaling SM1	165		vQ60c	ϕ	10.6
275	185	Sungei Besi SM1	190		vQ43c	—	6.6
285	170	Tanjong 15p	170		g3.5	—	2.9
250	90	Tongkah H. Tin SM1	120		vQ23c	1.2	5.8
305	190	Tronoh SM1	200		tvQ64c	1.1	9.3

Miscellaneous

1985 High	1985 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
55	30	Anglo-Dominion	30		—	—	—
		For Anglo Utd Dev see Recent Equities					
350	117	Centennial Min'ls.	182	−3	—	—	—
120	60	Colby Res Corp.	65		—	—	—
550	287	Cons. Murch. 10c	325		gQ86½c	3.9	8.0
40	24	Ennex Int. Ir10p	30		—	—	—
215	115	Hampton Areas 10p	135	−5	3.75	0.9	3.7
260	135	Highwood Res.	165	−12	—	—	—
£22½	£17½	Homestake Mining $1	£18¼	−⅛	Q20c	—	7.9
310	190	McFinley Red Lake	190	−5	—	—	—
335	195	Musto Explorations	280		—	—	—
55	23	New Sabina Res C$1	37	−3	—	—	—
375	245	Northgate C$1	245	−22	—	—	—
685	533	RTZ	565	−13	20.0	2.7	5.1
£145½	£116½	Do. 9½pcLn '95-2000	£127½	−1	Q9½%	14.0	(7.6
965	950	Tara Expln $1	965	+15	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock".
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- Not officially UK listed; dealings permitted under Rule 535(4)(a).
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B Fr. Belgian Francs. Fr. French Francs. ϕϕ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	99		Arnott	205	+6
Craig & Rose £1	780		CPI Hldgs	62	
Finlay Pkg. 5p	65		Carrol Inds.	138	
Higsons Brew	235		Dublin Gas	73	
Holt (Jos) 25p	730		Hall (R. & H.)	62xd	+2
IoM Stm. £1	90		Heiton Hldgs.	23	
IRISH			Irish Ropes	46	
Fund 11¼% 1988	£101⅛		Jacob (W.& R.)	88	
Nat. 9¼% 84/89	£97⅝	+⅛	Unidare	109	
Fin. 13% 97/02	£107¾				

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

LONDON STOCK EXCHANGE

MARKET REPORT

Leading equities rally from initial weakness; index closes 1.9 lower at 1,000.8

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 29	Aug 8	Aug 9	Aug 19
Aug 12	Aug 29	Aug 30	Sept 9
Sept 2	Sept 12	Sept 13	Sept 23

* "New-time" dealings may take place from 9.30 am two business days

Nervousness over Wall Street's poor overnight performance—the Dow Jones average fell nearly 11 points to close below the 1300 level for the first time since mid-June—showed through clearly when blue chip industrials opened in London yesterday.

Leading shares, plagued of late by uncertainties ahead of next month's full meeting of Opec oil ministers, suffered a further mark-down at the outset as dealers took defensive action. Very little selling materialised however and institutional investors, attracted by the cheaper levels, made their presence felt for the first time in days and acquired fairly large lines of shares in selected leaders.

Business thereafter was thin with interest again largely confined to company trading statements or special situations. Down 4.8 at the 10.00 am calculation, the FT Ordinary share index gradually improved to stand only 0.7 easier at 3.00 pm before closing the session 1.9 lower at 1,000.8; after-hours' sentiment was unsettled by news of renewed early weakness on Wall Street.

Index constituent **Courtaulds** were an erratic market, falling to 142p as a large line of shares—reported to be well over 1½m—came on offer. These were subsequently easily placed at around 141p and in the recovery which followed, the close was 146p, a penny harder on balance.

Among the sectors, Oils staged a technical recovery after the recent depression caused by worries about the bleak outlook for oil prices, while Electrical majors and in particular **Plessey**, rallied from early dullness caused by reports that President Reagan had awarded a U.S. army defence contract to the French.

Government securities remained in the doldrums. Encouraged late on Tuesday by the better-than-expected PSBR figure for August, potential investors were yesterday deterred by a fresh early setback in the pound—it retreated to stand at 1.3275 against the dollar at one stage. Comment on the renewed upward pressures being exerted on inflation by higher public sector pay settlements also dampened sentiment. The upshot was another lacklustre session in the funds which barely strayed from their overnight levels.

Hambros were an outstanding feature among merchant banks, rising 20 to 170p in response to persistent speculative support; **Hambro Trust** advanced 35 to the same level in sympathy. Elsewhere, **Provident Financial** continued to reflect vague takeover gossip and moved up 5 more to 257p, while perennial bid favourite **First National Finance Corporation** improved a couple of pence to 122p. The Governor of the Bank of England's warning on bad debts prompted renewed dullness in the major clearers, but closing levels were above the lowest of the day. NatWest ended 6 off at 632p, after 630p, while **Midland** relinquished 4 at 388p, after 386p.

Interest in Insurances centred upon those companies reporting trading statements. **Legal and General's** interim profits figure of just under £20m proved better than most recent pessimistic forecasts and the shares advanced 25 to 670p, in reply to the 50 per cent interim dividend increase and satisfactory first-half earnings. **Steel Burrill**, meanwhile, added 12 to 432p following the interim figures and proposed 100 per cent scrip-issue.

Communications group **Questel**, which made a disappointing debut in the Unlisted Securities Market on Tuesday, drifted back to 170p before settling a net 8 off at 173p, a 7p discount to the placing price of 170p.

The Building sector featured **Barratt Developments** which touched 106p prior to closing a net 6 up at 100p on buying inspired by a broker's circular ahead of the annual results due next Tuesday. A press mention stimulated further buying interest in **Countryside** which rose 8 more to 302p.

Easier initially in the wake of Wall Street's overnight decline, ICI recovered to 664p before drifting off again to close 5 cheaper on balance at 657p. **Laporte** slipped 7 to 315p awaiting today's interim results, while **Wardle Storeys** came on offer and shed the same amount to 206p.

Mail-orders dull

Mail-order issues, supported recently ahead of the forthcoming dividend season, reacted sharply following publicity given to a bearish survey from a market research organisation. **Freemans**, interim figures expected next Monday, were hardest hit and declined 14 to 268p. **Grattan**, annual results scheduled for next Thursday, dipped 12 to 304p, while **Empire** gave up 4 to 136p. Elsewhere in secondary Stores, **Owen Owen** hardened 10 to 395p following the reduced interim deficit. Among USM-quoted counters, **John Kent** met occasional support and firmed 5 to 57p, but news of the reduced first-half profits clipped a couple of pence from **Paul Michael Leisurewear** at 16p.

Pittard featured Shoes and Leather issues, rising 8 to 119p, after 123p, in belated response to the interim figures and capitalisation proposals. Buyers also displayed revived enthusiasm for **Strong and Fisher** which advanced to 144p before settling 6 higher on balance at 142p.

Plessey, down to 130p initially amid fresh fears that the U.S. military will ignore its Ptarmigan communications system in favour of the French Rita, soon recoved to the overnight level of 136p. Other leading Electricals also rebounded from early weakness, with the exception of **British Telecom** which eased a couple of pence to 196p ahead of today's first-quarter statement. **CASE**, aided by favourable press comment, continued the recent recovery and settled another 11 to the good at 145p, while sporadic interest was noted for **Rotaflex**, 8 up at 183p, and for USM-quoted **Brikat**, 10 higher down 45 on Tuesday in reaction to the poor half-timer, rallied 20 to 105p, while **Imtec**, also sharply lower the previous day following the preliminary loss, closed 4 up at 25p.

More-than-doubled interim profits prompted strong demand for **Belgrfave Holdings** which raced ahead to close 12 higher at 92p. On the other hand sharply higher half-year profits and a marginal increase in the dividend failed to sustain **Jones and Shipman** which dipped 4 to 72p. Elsewhere in Engineerings **Davy Corporation** improved 4 to 115p on talk that the company has landed contracts worth some £130m. Profit-taking lowered **Brown & Tawse** 5 to 162p and **APV** 3 to 272p. **GKN** attracted persistent support and closed 7 to the good at 234p, but **Simon** remained a dull market on further consideration of the recent disappointing interim figures and dipped to 202p before rallying to close only 4 off on balance at 204p.

The Food sector displayed several noteworthy movements. **United Biscuits** closed 3 cheaper at 176p, after 173p following news of a share placing at 166p per share to help finance the agreed acquisition of the olive division of Early California Industries of the U.S. for a maximum of £55m. Comment on the excellent interim results stimulated **Bernard Matthews**, up 15 to 495p, after 505p; Mr B. T. Matthews and certain members of his family have placed 2.1m shares with institutional investors in a move to diversify part of their investment portfolio. Among Retailers, **Argyll** encountered profit-taking and came back 4 to 323p, but **Normans** attracted a lively trade on talk of a bid from Mr Lewis E. Cartier and touched 82p before closing a net 2½ up at 81½p.

After Tuesday's agreed bid worth 625p per share from Mr J. H. Edwards and his family interests, **Arden and Cobden Hotels** raced up 90 more to 805p, making a two-day rise of 290p.

Among the miscellaneous industrial leaders, **Fisons** closed 3 off at 347p, after 342p, after comment on the interim results, while **Beecham** settled a couple of pence cheaper at 328p, after 326p. Elsewhere, profit-taking in the wake of the interim figures left **British Syphon** 9 lower at 135p, but takeover speculation prompted a rise of that amount in **AIM Group** to 118p. Elsewhere, **Bespak** plummeted 65 to 160p following the chairman's warning about a bad debt provision which is likely to have a serious effect on first-half profits, but **Williams Holdings** met with renewed buying interest in a restricted market and gained 23 to 373p. **Siebe** attracted buyers at 575p, up 15, while other bright spots included **Suter**, 7 higher at 154p and **Isotron**, 6 to the good at 218p. **Crest Nicholson** gained 6 more to 115p on takeover hopes, but **Christies International** shed 7 to 243p; the latter's interim results are due on October 8.

BL eased a couple of pence to 31p following disappointment with the first-half results. In contrast, further consideration of the excellent annual figures lifted **Armstrong Equipment** 8½ for a two-day improvement of 12 at 57p. **Aerospace Engineering** hardened a couple of pence to 34p, also after full-year figures. In Distributors, **Frank G. Gates**, a perennial takeover favourite, encountered profit-taking and dipped 11 to 72p; the interim results are expected early next month.

An otherwise uneventful session among Publishers was enlivened by **Fleet Holdings** which advanced to 367p before closing only 3 up on balance at 363p after the surprise announcement of full-year figures — the first step in the defence to the offer from United Newspapers, a couple of pence cheaper at 308p. Elsewhere, **Bemrose** shed 5 to 128p following the interim loss and slashed dividend. **Lowe Howard-Supink**, on the other hand, rose 5 to 285p after increased first-half earnings.

In Properties, **Regentcrest** continued to attract buyers and added a penny more to 34p for a three-day rise of 5, while **Five Oaks** gained a penny to 41½p on news that British Car Auctions had acquired a 22.7 per cent stake in the company.
SketbjEvhF etaoin shrdlu cmf

The recent tale of woe in Textiles continued as **Hugh Mackay** slumped 10 to 76p in reply to more-than-halved interim profits. **Coats Patons**, which revealed acutely disappointing mid-term figures on Tuesday, dipped to 129p before settling 4 lower on balance at 133p—still down 21 over the last two trading sessions.

Britannia Arrow, a rising market of late, advanced to 111p before closing 3 dearer on balance at 110p following the 90 per cent expansion in mid-term profits; **Guinness Peat**, which holds around 27 per cent of the former, hardened a few pence to 71p.

BP rally

The recent period of sustained weakness in the oil sector, which reflected fears of falling oil prices in the run-up to the October 3 OPEC meeting, gave way to a sustained rally. **BP** were the major beneficiary and gradually improved during the session on "cheap" buying and bear closing to end the day 12 firmer at 535p, while **LASMO**, again supported by takeover speculation, put on 8 to 233p, and **Shell** 5 to 678p. Secondary issues were highlighted by **North Sea and General Investments** which advanced strongly late in the session to close 12 higher at 90p in response to takeover speculation.

Australians easier

There was very little in the way of good news in mining markets. **Consolidated Gold Fields** were marked up to 446p at the outset, reflecting generally favourable Press comment on the increased preliminary profits announced on Tuesday, but subsequent persistent small selling lowered the shares to 437p before a close of 440p, unchanged on the day. **Rio Tinto-Zinc**, however, remained out of favour and gave up a further 13 to 565p, a two-day decline of 18.

Australians suffered a sharp setback in overnight Sydney and Melbourne markets amid increasing fears of the imposition by the Federal Government of a capital gains tax in excess of 20 per cent, when the Government announces its package of taxation changes sometime today. A capital gains tax of below 20 per cent is regarded as acceptable but any tax above this rate is thought by dealers to be bearish for Australian issues.

Interest in South African gold and related issues remained at a low ebb. A slightly easier Rand and early weakness in the bullion price prompted minor selling during initial dealings but sterling quotations generally showed little change throughout the session reflecting the easier trend in the pound.

Activity in Traded Options centred on two stocks: **Imperial Group** were particularly lively amid speculation that Bond Corporation is set to launch an offer and attracted 2,014 calls, 931 of which were struck in the February 200's. **Courtaulds** recorded 1,030 calls, the January 120's contributing 650 trades. Total contracts transacted amounted to 8,794.

FINANCIAL TIMES STOCK INDICES

	Sept. 18	Sept. 17	Sept. 16	Sept. 13	Sept. 12	Sept. 11	year ago
Government Secs	83.25	83.25	83.15	82.94	82.74	82.79	80.08
Fixed Interest	88.66	88.40	88.35	88.33	88.14	88.16	85.25
Ordinary ♥	1000.8	1002.7	1007.7	1011.8	1014.0	1006.6	871.8
Gold Mines	316.4	315.4	317.4	317.5	323.9	309.3	526.2
Ord. Div. Yield	4.75	4.74	4.72	4.71	4.69	4.70	4.80
Earnings, Yld. %(full)	11.66	11.63	11.59	11.54	11.51	11.53	11.43
P/E Ratio (net) (*)	10.62	10.64	10.70	10.73	10.76	10.74	10.51
Total bargains (Est.)	20,598	20,720	21,429	23,742	20,596	21,610	18,816
Equity turnover £m.	—	316.57	327.29	630.65	370.48	405.33	297.99
Equity bargains	—	17,856	18,762	21,356	18,655	17,498	16,606
Shares traded (ml)	—	164.4	172.0	245.7	169.9	187.3	167.3

♥ 10 am 997.9. 11 am 998.9. Noon 1000.0. 1 pm 1000.2. 2 pm 1000.4. 3 pm 1002.0. 4 pm 1002.2.

Day's High 1002.7. Day's Low 997.1.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/56. SE Activities 1974.

Latest Index 01-246 8026.

*Nil=10.24.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.87 (30/7)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	88.81 (25/8)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	911.0 (26/7)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	280.1 (29/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Sept. 17	Sept. 16
Daily Gilt Edged Bargains	146.4	123.3
Equities Bargains	115.7	121.6
Equities Value	637.8	661.5
5 day Average Gilt Edged Bargains	125.2	122.2
Equities Bargains	119.6	121.7
Equities Value	788.0	825.8

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept 9	Sept 20	Dec 5	Dec 16
Sept 23	Oct 4	Dec 19	Dec 30
Oct 7	Oct 18	Jan 2	Jan 13

For rate indications see end of Unit Trust Service

Call options were taken out in Sears, GEC, Control Securities, Westland, LRC International, Energy Capital, De Beers, Falcon Resources, McFinley Red Lake, Southwest Resources, James Ferguson, Stockley and Stead & Simpson. A put was done in Terrex, and a double option was arranged in Manganese Bronze.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	29	19	59
Corpns Dom and Foreign Bonds	19	8	51
Industrials	224	305	865
Financial and Props	68	142	347
Oils	28	29	68
Plantations	4	4	10
Mines	35	77	68
Others	69	56	104
Totals	474	640	1,682

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Armstrong Equipment	57	+ 8½
Bespak	160	−65
British Aerospace	400	—
British Syphon	135	− 9
Coats Patons	133	− 4
Courtaulds	146	+ 1
Fleet Holdings	363	+ 3
Matthews (B.)	495	+15
Normans Group	81½	+ 2½
Prudential	688	+ 6
Somportex	90	+ 5
Stewart Wrightson	853	+15

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
British Aero	16	400	− 5
Coats Patons	15	137	−17
LASMO	15	275	−10
Armstrong Eqp	14	48½	+ 3½
BP	14	523	− 9
Cns Gold Flds	14	440	+15
Fisons	13	350	−10
Bowater Inds	12	340	+13
Bramall (C. D.)	12	186	+18
Distillers	12	385	—
P & O Defd	12	408	− 9
Shell Transport	12	673	− 2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Weds Sept 18 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tue Sept 17 Index No.	Mon Sept 16 Index No.	Fri Sept 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	519.91	—	11.05	4.34	11.35	11.81	520.07	521.64	521.07	521.59
2	Building Materials (22)	546.54	+0.3	12.01	4.87	10.35	13.04	545.08	549.41	551.03	460.36
3	Contracting, Construction (29)	822.79	+0.6	12.36	5.06	10.28	20.76	818.21	823.38	825.18	671.19
4	Electricals (14)	1452.30	−0.5	10.64	5.10	12.03	35.52	1459.27	1455.65	1457.71	1555.66
5	Electronics (38)	1312.33	−0.2	11.58	3.44	11.39	30.05	1314.75	1316.20	1315.14	1901.73
6	Mechanical Engineering (62)	301.44	+0.1	11.09	4.71	10.93	7.55	301.14	302.78	298.14	258.95
8	Metals and Metal Forming (7)	202.48	−0.7	12.95	7.06	9.59	5.75	203.90	204.51	206.79	189.37
9	Motors (16)	173.93	+0.4	13.07	4.88	9.30	4.02	173.22	173.93	174.23	138.65
10	Other Industrial Materials (18)	945.95	−0.4	7.90	3.80	15.16	15.81	950.03	948.61	953.51	696.80
21	CONSUMER GROUP (176)	685.73	−0.4	9.22	3.84	13.60	13.25	688.53	691.41	692.11	533.75
22	Brewers and Distillers (23)	706.72	−0.2	9.77	4.09	12.92	13.84	708.17	710.84	713.48	506.65
25	Food Manufacturing (21)	498.91	+0.4	11.93	4.90	10.82	13.61	497.12	499.80	500.06	412.69
26	Food Retailing (14)	1621.66	−0.2	6.01	2.58	22.51	22.67	1624.55	1614.36	1616.98	1254.11
27	Health and Household Products (9)	1062.01	−0.9	6.47	2.82	18.14	11.95	1071.29	1074.80	1074.83	921.50
29	Leisure (22)	671.92	—	8.42	4.93	15.54	22.96	672.11	676.77	684.46	595.59
32	Newspapers, Publishing (12)	1886.12	−0.1	7.68	4.05	16.74	38.80	1888.29	1889.90	1891.76	1909.12
33	Packaging and Paper (14)	363.38	−0.4	9.80	4.13	12.23	7.49	364.86	362.45	365.28	245.24
34	Stores (42)	693.41	−0.5	7.28	3.06	16.79	9.86	697.01	702.31	698.14	450.98
35	Textiles (16)	326.08	−0.8	13.39	5.11	8.47	8.08	328.73	339.75	342.22	275.81
36	Tobaccos (3)	743.45	−1.4	18.14	6.04	6.29	21.66	753.69	755.14	759.38	757.30
41	OTHER GROUPS (101)	687.08	−0.5	9.28	4.15	13.96	15.03	690.46	691.76	694.70	479.53
42	Chemicals (19)	670.98	−0.7	14.64	5.65	9.03	25.17	675.42	678.29	681.29	631.02
44	Office Equipment (4)	202.20	+2.0	7.90	4.35	15.09	5.79	198.29	196.90	200.29	149.24
45	Shipping and Transport (12)	1183.73	−1.1	7.94	4.55	15.58	36.20	1197.43	1211.32	1220.37	884.56
46	Miscellaneous (64)	843.25	−0.1	7.65	3.05	16.05	15.19	844.22	847.49	848.50	670.84
48	Telephone Networks (2)	895.13	−0.7	8.30	3.63	16.06	14.38	901.54	900.34	904.75	0.0
49	INDUSTRIAL GROUP (483)	649.55	−0.3	9.67	4.04	13.07	13.53	651.76	653.90	654.80	527.55
51	Oils (17)	1131.80	+1.6	16.69	7.73	7.35	59.64	1114.06	1127.81	1159.95	1130.54
59	500 SHARE INDEX (500)	690.25	−0.1	10.57	4.52	11.88	17.22	690.91	693.97	697.32	578.10
61	FINANCIAL GROUP (115)	474.44	+0.3	—	5.09	—	13.25	472.96	472.08	474.21	388.10
62	Banks (6)	465.74	−0.4	19.24	6.36	7.43	19.80	467.70	471.46	476.74	381.09
65	Insurance (Life) (9)	738.64	+1.1	—	4.54	—	16.03	730.95	730.20	736.10	513.19
66	Insurance (Composite) (7)	358.01	+0.5	—	5.50	—	8.58	356.35	353.43	353.73	275.29
67	Insurance (Brokers) (7)	1115.22	+0.9	7.48	3.84	17.89	25.71	1105.11	1099.59	1102.61	823.18
68	Merchant Banks (11)	240.81	+2.2	—	4.68	—	5.80	235.59	234.85	233.83	213.82
69	Property (50)	651.16	+0.1	5.73	3.71	23.44	11.44	650.60	644.95	645.61	595.98
70	Other Financial (25)	277.54	−0.1	10.28	5.98	11.97	9.77	277.72	277.38	277.13	251.01
71	Investment Trusts (106)	588.80	−0.6	—	3.57	—	11.58	592.14	592.11	593.98	530.87
81	Mining Finance (3)	256.21	−1.6	12.67	5.98	9.16	5.36	260.25	259.52	262.18	268.49
91	Overseas Traders (14)	592.13	+0.1	12.65	6.72	9.47	29.86	591.32	594.51	597.35	584.41
99	ALL-SHARE INDEX (738)	628.98	−0.1	—	4.60	—	15.86	629.43	631.41	634.41	529.51

	Index No.	Day's Change	Day's High	Day's Low	Sept 17	Sept 16	Sept 13	Sept 12	Sept 11	Year ago
FT-SE 100 SHARE INDEX	1294.8	−1.2	1295.6	1289.0	1296.0	1300.2	1308.8	1313.3	1302.2	1125.2

FIXED INTEREST

	PRICE INDICES	Weds Sept 18	Day's change %	Tue Sept 17	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.29	—	119.59	0.30	8.22
2	5-15 years	133.90	+0.04	133.26	0.32	9.65
3	Over 15 years	137.19	—	137.38	0.19	9.92
4	Irredeemables	150.82	—	150.82	—	8.90
5	All stocks	130.62	+0.02	130.89	0.29	9.26
6	Debentures & Loans	112.18	−0.05	112.24	—	7.82
7	Preference	80.67	+0.29	80.44	—	5.21
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	111.77	+0.13	111.63	—	2.46

	AVERAGE GROSS REDEMPTION YIELDS		Weds Sept 18	Tue Sept 17	Year ago (approx.)
	British Government				
1	Low	5 years	9.99	10.01	11.20
2	Coupons	15 years	10.22	10.22	10.62
3		25 years	10.23	10.29	10.15
4	Medium	5 years	10.82	10.80	11.90
5	Coupons	15 years	10.56	10.56	11.04
6		25 years	10.22	10.22	10.37
7	High	5 years	10.89	10.90	11.96
8	Coupons	15 years	10.71	10.71	11.20
9		25 years	10.39	10.38	10.46
10	Irredeemables†		9.84	9.83	10.09
11	Debs &	5 years	11.57	11.58	12.40
12	Loans	15 years	11.45	11.44	12.21
13		25 years	11.32	11.31	12.02
14	Preference†		12.15	12.19	13.14
15	Inflation rate	5%	3.55	3.56	3.80
16		10%	3.34	3.35	3.60

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
GOLD C	$320	34	10	—	—	—	—	$316,90
GOLD C	$340	24	5.30	312	11	10	17.50	"
GOLD C	$360	6	1.60	6	6	—	—	"
GOLD P	$300	515	3.40	190	6	—	—	"
GOLD P	$320	13	9	—	—	30	16	"
GOLD P	$340	26	25	—	—	—	—	"
		Sept.		Dec.		March		
SILVER P	$600	28	12	8	25	—	—	$594
$/FL C	Fl.315	26	11.30 A	12	14.60	—	—	Fl.325.40
$/FL C	Fl.325	127	2.10	—	—	—	—	"
$/FL C	Fl.330	251	0.60	56	7.50	15	10	"
$/FL C	Fl.335	143	0.30	27	5.80	11	8	"
…	[illegible]							

TOTAL VOLUME IN CONTRACTS: 16,874

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		CALLS Oct	CALLS Jan.	CALLS Apr.	PUTS Oct
B.P. (*536)	500	43	62	72	[illegible]
	550	14	33	40	[illegible]
	600	1½	14	18	[illegible]
Cons. Gold (*439)	390	48	60	70	[illegible]
	420	18	35	48	[illegible]
	460	7	20	33	[illegible]
	500	3	10	18	[illegible]
Courtaulds (*146)	120	28	33	35	[illegible]
	130	18	24	26	[illegible]
	140	11	16	19	[illegible]
	160	2½	8	11	[illegible]
Com. Union (*225)	180	48	—	—	[illegible]
	200	28	34	39	[illegible]
	220	13	19	23	[illegible]
	240	5	10	14	[illegible]
G.E.C. (*166)	160	14	22	30	[illegible]
	180	4½	10	18	[illegible]
	200	1	4	10	[illegible]
Grand Met. (*338)	280	60	70	77	[illegible]
	300	42	53	58	[illegible]
	330	18	28	37	[illegible]
	360	5	13	17	[illegible]
I.C.I. (*657)	650	25	54	62	[illegible]
	700	7	27	37	[illegible]
	750	3	12	—	[illegible]
	800	1½	6	—	[illegible]
Land Sec. (*293)	260	36	40	46	[illegible]
	280	17	25	32	[illegible]
	300	6	12	21	[illegible]
	330	2	5	9	[illegible]
Marks & Sp. (*151)	120	34	—	—	[illegible]
	130	24	29	33	[illegible]
…	[illegible]				

September 18 Total Contracts 8,794 Calls 6,490 Puts 2,304

*Underlying security price.

RECENT ISSUES

EQUITIES

[illegible]			

FIXED INTEREST STOCKS

[illegible]			

RIGHTS OFFERS

[illegible]			

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (64)

[illegible]

NEW LOWS (43)

[illegible]

WORLD STOCK MARKETS

AUSTRIA

Sept. 18	Price Sch's	+ or —
Creditanstalt	371	-7
Goesser	516	+1
Interunfall	155	+6
Laenderbank	361	-3
Perlmooser	625	+10
Steyr-Daimler	165	-3
Veitscher Mag	570	+2

BELGIUM/LUXEMBOURG

Sept. 18	Price Frs.	+ or —
B.B.L.	2,065	+25
Banq. Gen Lux	7,400	+200
Banq. Int. A. Lux	7,000	
Bekaert B	7,000	+390
Ciment CBR	2,565	+15
Cockerill	212	-3
Delhaize	8,350	+50
EBES	3,035	+20
Electrobel	9,150	+20
Fabrique Nat	1,980	+30
GB Inno BM	4,150	+40
GBL (Brux)	2,025	+20
Gevaert	4,150	+50
Hoboken	5,720	+20
Intercom	2,335	+30
Kredietbank	9,350	+100
Pan Hldgs.	10,250	
Petrofina	6,230	+20
Royale Belge	12,975	
Soc. Gen. Banq	3,580	
Soc. Gen. Belge	1,905	+40
Sofina	7,850	+10
Solvay	5,740	+60
Stanwick Intl.	1,300	
Traction el	4,135	+25
UCB	5,560	+310
Wagon Lits	3,630	+20

DENMARK

Sept. 18	Price Knr %	+ or —
Andelsbanken	522	+1
Baltic Skand	545	-20
CopHandelsbank	297	
D. Sukkerfab	490	-5
Danske Bank	345	
De Danske Luft.	1,340	+10
East Asiatic	236	-8
Forenede Brygg.	1,060	
Forenede Damp.	210	+1
GNT Hldg	520	-20
I.S.S.B.	556	-10
Jyske Bank	710	+10
Novo Ind B	1,336	
Privatbanken	300	
Provinsbanken	405	+5
Smidth (F.L.) B	288	+5
Sophus Berend	1,085	-5
Superfos	381	

FRANCE

Sept. 18	Price Frs.	+ or —
Emprunt 4½% 1973	1,602	-1
Emprunt 7% 1973	8,850	-60
Accor	260	-4.5
Air Liquide	562	-8
BIC	490	-9
Bongrain	1,580	+10
Bouygues	734	-6
BSN Gervais	2,135	-35
CIT-Alcatel	1,201	
Carrefour	2,300	+15
Club Mediter'n	491.5	-3.5
Cie Bancaire	627	-13
Cofimeg	289.5	-0.3
Damart	1,831	+2
Darty	1,415	-25
Dumex S.A.	773	-9
Eaux (Cie Gen)	625	-5
Elf Aquitane	194.1	-1.2
Essilor	2,195	-6
Gen.Occidentale	715	-2
Imetal	84.3	-1.2
Lafarge Coppee.	510	+1
L'Oreal	2,345	+9
Legrand	2,119	+43
Maisons Phenix	166	
Matra S.A.	1,705	+25
Michelin B	1,075	-3
Midi (Cie)	3,079	+3
Moet-Hennessy	1,916	-19
Moulinex	77.7	-0.55
Nord Est	103.2	+0.9
Pernod Rica	693	+2
Perrier	485	-4.5
Petroles Fra.	225	-4
Peugeot S.A	599	+4
Printempts Au	286	-1
Radiotech	294	-2
Redoute	1,425	-25
Roussel-Uclaf	1,505	-7
Sefimeg	350	+1
SkisRossignol	1,350	-11
Telemec Elect	2,655	+65
Thomson CSF	520	+28
Valeo	245	-3.8

GERMANY

Sept. 18	Price Dm.	+ or —
AEG-Telef	144.8	-2.2
Allianz Vers	1,537	+3
BASF	258.4xr	+2.9
Bayer	226.8	+1
Bayer-Hypo	401	-1
Bayer-Verein	407	+6
BHF-Bank	333	-4
BMW	497.5	-3.5
Brown Boveri	273	-3.5
Commerzbank	222	-2.1
Cont'l. Gummi	156.8	+0.3
Daimler-Benz	976.6	-12.5
Degussa	368	-0.5
D'sche Babcock	179.5	+2
Deutsche Bank	604	+5
Dresdner Bank	277.8	-0.4
GHH	198.5	-4.7
Hochtief	735	
Hoechst	223.8	+1.1
Hoesch Werke	128.5	+0.7
Holzmann (P)	491 xd	
Horten	196	-2
Husael	400	+2
Karstadt	272	+4
Kaufhof	307.5	-0.5
KHD	321.5	+1
Kloeckner	75	
Linde	572	-1
Lufthansa	231	+2.5
MAN	182	-2
Mannesmann	220.5	+2.6
Mercedes Hld	888	-1
Metallgesell	275	-8
Muench Rueck	1,970	+20
Nixdorf	579.5	-2
Porsche	1,417	+11
Preussag	261	-5.5
Rhein West Elect	198	+1
Rosenthal	293	-8
Schering	521.5	+0.5
Siemens	607.5	+0.5
Thyssen	137.8	+1
Varta	258	+2
Veba	241.8	+5.8
V.E.W.	157	-13
Verein-West	346	+2
Volkswagen	339	-6

ITALY

Sept. 18	Price Lira	+ or —
Banco Com'le	24,550	-330
Bastogi-IRBS	329.75	-18.0
B.I-Invest	5,450	-70
Centrale	3,450	+5
Credito Varesino	5,000	
Fiat	4,519	+45
Finsider		
Generali Assicur.	64,790	+730
Italcementi	50,500	+50
La Rinascente	964	+4
Montedison	2,475	+30
Olivetti	7,460	-310
Pirelli Co.	5,760	-10
Perelli Spa	3,310	+100
Saipem	6,148	-41
Snia BPD	3,965	+65
Toro Assic	21,200	+650
do Pref	15,800	-150

NETHERLANDS

Sept. 18	Price Fls	+ or —
ACF Holding	228	-2
AEGON	97	
Ahold	247.2	+0.2
AKZO	125	-0.4
ABN	500xr	
AMEV	305.2	+0.7
AMRO	85.5	-0.3
Bredero Cert	170.5	+0.5
Bos Kalis Westm.	14.6	
Buehrmann-Tet.	107	-0.8
Calland Hldgs.	30	-0.5
Dordtsche Pet'm.	175.8	+0.5
Elsevier NDU	130	+0.8
Fokker	78	+0.2
Gist Brocades	219	+0.2
Heineken	161.6	+2
Hoogovens	60.9	-0.6
Int Mueller	61.2	-0.9
KLM	57.8	-0.5
Naarden	47.5	
Nat Ned Cert	75.3	+0.5
Ned Mid Bank	209	+0.5
Nedlloyd	189.5	-0.5
Oce Grinten	347	-0.5
Ommeren (Van)	27.2	-0.2
Pakhoed	65.8	+0.4
Philips	50.1	-0.1
Robeco	76.1	-0.3
Rodamco	135.2	+0.3
Rolinco	69.1	-0.5
Rorento	46.7	
Royal Dutch	190.5	-0.3
Unilever	342	-1
VMF Stork	236	-2
VNU	224	
Wessanen	188	-0.3
West Utr Bank	94	-0.5

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Sept. 18	Price Kroner	+ or —
Bergens Bank	150	-2
Borregaard	435	+2.5
Christiania Bank	146	-0.5
DenNorske Cred	148	-3
Elkem	119	+0.5
Kosmos	212.5	-1.5
Kvaerner	168	+2
Norsk Data	398	
Norsk Hydro	115.5	-0.5
Storebrand	280	+1

SPAIN

Sept. 18	Price Pta %	+ or —
Bco Bilbao	339	
Bco Central	313	
Bco Exterior	202	+1
Bco Hispano	144	
Bco Popular	335	
Bco Santander	352	
Bco. Vizcaya	440	
Dragados	131.5	+0.5
Hidrola	70.5	-2.7
Iberduero	89.5	-1.2
Petroleos	133	
Telefonica	113.5	

SWEDEN

Sept. 18	Price Kronor	+ or —
AGA	130	+2
Alfa-Laval B	202	+2
ASEA (Free)	290	-10
Astra (Free)	405	+5
Atlas Copco	120	+2
Cardo (Free)	225	
Cellulosa	133	+2
Electrolux B	144xc	+1
Ericsson B	231	+2
Esselte	370	
Mo och Domsjo	174	+1
Pharmacia	175	+2
Saab Scania Free	440	
Sandvik	468	+3
Skandia	321	+1
Skan Enskilda	54	+0.5
SKF	223	
St Kopparbergs	170	+15
Sonesson	157	-8
Sven Handlesbn	172	-0.5
Swedish Match	194	+3
Volvo B (Free)	233	+3

SWITZERLAND

Sept. 18	Price Frs.	+ or —
Adia Intl	4,150	
Alusuisse	721	-4
Bank Leu	3,760	-30
Brown Boveri	1,800	-10
Ciba Geigy	3,410	-30
do. (Part Certs)	2,670	-10
Credit Suisse	3,030	-25
Elektrowatt	3,380	-50
Fischer (Geo.)	935	-5
Hoff-Roche PtCts	101,250	-750
Hoff-Roche 1/10	10,125	-75
Jacobs Suchard	6,900	
Jelmoli	2,875	+15
Landis & Gyr	2,130	-20
Nestle	7,560	
Oer-Buehrle	1,690	-20
Pirelli	387	+4
Sandoz (Br)	8,800	-25
Sandoz (PtCts)	1,515	-5
Schindler (Pt Cts)	875	-15
Sika	1,550	
Surveillance A	5,500	-20
Swissair	1,415	-25
Swiss Bank	474	+3
Swiss Reinsce	12,500	-100
Swiss Volksbk	1,990	-40
Union Bank	4,335	-15
Winterthur	4,600	-20
Zurich Ins.	5,625	-25

AUSTRALIA

Sept. 18	Price Aust $.	+ or —
ANZ Group	4.7	-0.1
Alliance Oil Dev.	1.05	
Ampol Pet	2.25	-0.01
Ashton	1.12	
Aust. Cons. Ind.	2.68	-0.05
Aust.Guarantee	2.75	-0.05
Aust. Nat. Inds	2.65	-0.05
APM	2.80	-0.06
Bell Group	9.3	-0.05
Bell Res.	1.85	+0.15
Bond Corp Hldgs	1.85	-0.05
Boral	3.77	-0.03
Bougainville	1.83	-0.03
Brambles Inds	4.05	-0.05
Bridge Oil	2.48	-0.01
B.H. Prop	7.8	
CRA	5.38	-0.08
CSR	3.05	-0.09
CastlemaineTys	8.0	
Coles (G.J.)	4.06	-0.02
Comalco "A"	1.65	-0.15
Consolidated Pet	0.35	
Costain Aust	2.15	-0.15
Dunlop Olympic	2.45	-0.06
Elders IXL	3.35	-0.09
Energ Res	1.65	-0.01

AUSTRALIA (continued)

Sept. 18	Price Aust.$	+ or —
Gen. Prop. Trust	2.20	-0.05
Hardie (James)	3.22	-0.01
Hartogen Energy	2.3	
Herald W'yTimes	4.75	-0.25
ICI Aust	2.1	
Jimberlana F.P.	0.29	+0.01
Kia Ora Gold	0.14	-0.01
Lend Lease	6.26	
MIM	2.53	-0.18
Mayne Nickless	3.10	
Myer Emporium	3.42	-0.08
Nat. Aust. Bank	4.70	-0.06
News	6.7	-0.3
Nicholas Kiwi	1.95	-0.15
North Bkn Hill	2.42	-0.01
Oakbridge	1.25	
Pancontinental	1.90	-0.12
Pioneer Conc	1.95	-0.09
Poseidon	3.95	-0.05
Queensland Coal	1.70	-0.05
Reckitt & Colman	3.75	
Repco	1.35	-0.03
Santos	5.10	-0.54
Smith (Howard)	5.6	-0.2
Thos. Natwide	2.1	-0.1
Tooth	5.50	-0.05
Vamgas	3.3	-0.3
Western Mining	3.74	-0.08
Westpac Bank	4.6	-0.1
Woodside Petrol	1.31	+0.01
Woolworths	3.22	-0.03
Wormad Intl.	3.93	-0.03

HONG KONG

Sept. 18	Price H.K.$	+ or —
Bank East Asia	22.5	
Cheung Kong	18	
China Light	16.1	
Evergo	0.84	
Hang Seng Bank	42.5	-0.5
Henderson Land.	2.22	+0.02
HK China Gas	9.55	-0.15
HK Electric	8	
HK Kowloon Wh.	6.60	-0.15
HK Land	6.05	-0.10
HK Shanghai BK.	7.20	-0.05
HK Telephone	8.5	
Hutchison Wpa	26.1	-0.1
Intnl. City	0.89	+0.01
Jardine Math	11.6	
New World Dev.	7.45	-0.10
Orient O'seas	1.99	
SHK Props	12.8	
Shell Elect	1.03	
Swire Pac A	24.4	-0.1
TV—B	6.75	-0.25
World Int. Hldgs.	2.1	

JAPAN

Sept. 18	Price Yen	+ or —
Ajinomoto	1,150	+10
All Nippon Air	621	-10
Alps Electric	1,300	-30
Asahi Chem	765	-14
Asahi Glass	799	-6
Bank Tokyo	781	
Bridgestone	551	-2
Brother Inds	564	-1
Canon	1,010	+10
Casio Comp	1,670	-10
Daiei	680	+5
Dia-Ichi Kan. Bk.	1,530	-20
Dia Nippon Ink	289	-1
Dai Nippon Ptg.	1,060	-20
Daiwa House	865	-9
Daiwa Sec.	892	-8
Eisai	1,270	
Fanuc	8,000	-80
Fuji Bank	1,590	
Fuji Film	1,960	+10
Fujisawa	833	-7
Fujitsu	905	-20
Furukawa Elect.	313	-4
Green Cross	3,070	-30
Heiwa Real Est.	771	-14
Hitachi	651	-9
Hitachi Credit	1,030	-10
Honda	1,300	-20
Indl. Bk. Japan	1,170	-10
Ishikawajima Hr.	201	+2
Isuzu Motors	385	+4
Itoh (C)	425	-4
Ito. Yokado	2,750	-30
JAL	4,990	-310
Jusco	870	
Kajima	517	+6
Kao Soap	851	-3
Kawasaki Steel	147	-1
Kirin	696	+3
Kobe Steel	192	-2
Komatsu	562	-1
Konishiroku	680	-8
Kubota	366	-4
Kumagai	858	
Kyocera	3,540	-20
Marubeni	372	+7
Marui	1,490	-20
Mazda Motors	422	+8
Meiji Seika	525	-15
MEI	1,190	-10
M'bishi Bank	1,460	-10
M'bishi Chem	472	-3
M'bishi	620	-4
M'bishi Elect	341	-6
M'bishi Estate	989	+17

JAPAN (continued)

Sept. 18	Price Yen	+ or —
MHI	434	+1
Mitsui Bank	1,140	-30
Mitsui	414	-3
Mitsui Estate	972	+5
Mitsui Toatsu	232	-4
Nikko Sec.	790	
Mitsukoshi	680	-15
Nippon Denso	1,250	-50
Nippon Elect	964	-22
Nippon Express.	589	+14
Nippon Gakki	1,870	-40
Nippon Kogaku	909	-11
Nippon Kokan	147	-1
Nippon Oil	712	-38
Nippon Seiko	475	-12
Nippon Shimpan	679	+4
Nippon Steel	170	-2
Nippon Suisan	404	+4
Nippon Yusen	319	+16
Nissan Motor	616	+4
Nisshin Flour	485	
Nomura	1,170	-10
Olympus	1,040	+10
Onada Cement	338	+4
Orient Finance	930	
Orient Leasing	2,750	+150
Pioneer	1,770	-20
Ricoh	855	-11
Sankyo	1,060	-20
Sanwa Bank	1,390	
Sanyo Elect.	386	-3
Sapporo	575	
Sekisui Prefab	908	-13
Seven-Eleven	8,110	-140
Sharp	805	-8
Shimizu Constn.	387	+14
Shionogi	744	-1
Shiseido	1,150	+10
Showa Denko	216	-3
Sony	3,590	-110
S'tomo Bank	1,690	-20
S'tomo Chem.	250	+1
S'tomo Corp.	718	-2
S'tomo Elect	715	-5
S'tomo Metal	152	-1
Taisei Corp.	371	+22
Taisho Marine	564	
Taiyo Kobe Bank	726	
Takeda	845	-5
TDK	4,080	-100
Teijin	497	+7
Toa. Nenryo	1,060	-20
Tokai Bank	1,000	
Tokio Marine	870	-7
Tokyo Elect Pwr	2,140	
Tokyo Gas	241	
Tokyu Corp.	542	-5
Toppan Print	790	-2
Toray	538	-2
Toshiba Elect.	332	-6
Toyo Seikan	1,880	-20
Toyota Motor	1,160	
UBE Inds	242	
Victor	1,570	-20
Yamaha	670	+18
Yamaichi Sec.	779	-11
Yamazaki	810	-21
Yasuda Fire	554	-5

SINGAPORE

Sept. 18	Price $	+ or —
Boustead Hldgs.	1.56	+0.02
Cold Storage	2.92	+0.19
DBS	5.2	+0.15
Genting	5.75	+0.05
Haw Par. Bros.	2.17	
Hong Leong Fin.	2.48	+0.02
Inchcape Bhd.	2.16	+0.03
Keppel Shipyard	1.22	+0.06
Malay Banking	5.7	
Malay Utd. Ind.	2.44	+0.01
Multi Purpose	0.86	
OCBC	8	+0.1
OUB	2.75	+0.15
Public Bank	1.49	+0.01
Sime Darby	1.74	
Singapore Press.	5.6	+0.05
Straits Trdg.	3.04xc	-0.02
Tat Lee Bk	2.41	
UOB	3.52	+0.1

SOUTH AFRICA

Sept. 18	Price Rand	+ or —
Abercom	1.67	
AE&CI	7.65	
Allied Tech	56.25	+0.25
Anglo Am Coal	55.25	
Anglo Am Corp	33	+0.75
Anglo Am Gold	182	-1
BarclaysBank	17.25	
Barlow Rand	10.95	-0.05
Buffels	72.5	
CNA Gallo	2.3	
Currie Finance	4.3	+0.05
De Beers	11.8	+0.15
Driefontein	49.25	
FS Geduld	56	
Gold Fields SA	30.75	+0.25
Highveld Steel	5.15	-0.1
Nedbank	11.4	+0.55
OK Bazaars	12.25	
Protea Hldgs	2.35	
Rembrandt	43.5	
Rust Plat	17.8	+0.2
Safren	13	+0.25
Sage Hldgs.	9	
SA Brews	7.28	+0.05
Smith (CG)	25	
Tongaat Huletts	5.3	+0.05
Unisec	5.45	-0.05

CANADA

TORONTO

Closing prices September 18

[illegible]

MONTREAL

Closing prices September 18

[illegible]

Indices

NEW YORK — DOW JONES

[illegible]

Sept 18	Sept 17	Sept 16	Sept 13	1985 High	1985 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Advances 588 Declines 881

TORONTO	Sept 18	Sept 17	Sept 16	Sept 13	1985 High	1985 Low
Metals & Minls	1,881.9*	1,904.45	1,940.2	1,942.8	2198.7 (13/2)	1866.9 (4/1)
Composite	2,645.8*	2,651.58	2,680.1	2,716.2	2818.9 (30/8)	2348.5 (8/1)
MONTREAL Portfolio	129.38*	129.29	131.85	132.35	138.33 (19/7)	117.99 (4/1)

* Indicates pre-close figure

SWEDEN Jacobson & P (11/58)	1386.88	1374.21	1376.84	1396.82	1488.98 (11/2)	1285.32 (9/7)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	491.7	493.8	494.7	497.2	499.3 (11/9)	388.7 (3/1)
WORLD Capital Intl. (1/1/70)	212.2	212.8	u	213.0	224.3 (17/7)	184.6 (4/1)

* Indicates pre-close figure ** Saturday September 7 Japan Nikkei Dow 12,479.08 TSE 1,017.58 Base values of all indices are 100 except Australia All Ordinary and Metals - 500 NYSE All Common - 50 Standard and Poors - 101 and Toronto Composite and Metals - 1000 Toronto indices based 1975 and Montreal Portfolio 4/1/83 † Excluding bonds ‡ 400 industrials § 400 industrials plus 40 Utilities Financials and 20 Transports c Closed u. Unavailable

New York Active Stocks

Am Express	1,290,500	40⅝	-⅞	Rich VK	866,600	47⅛	-3
City Invest	1,058,300	7⅛	-⅛	Sperry CP	843,400	48⅞	unch
Merck	979,400	107½	-3⅛	Intl Harv	825,700	7⅛	+⅛

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 37

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

LONDON Chief price changes (in pence unless otherwise indicated)

RISES

AIM	118	+ 9
Arden & Cobden	805	+ 90
Armstrong Equip	57	+ 8½
Barratt Develop	100	+ 6
Belgrave	92	+ 12
BP	535	+ 12
CASE	145	+ 11
Countrys. Prop.	302	+ 8
GKN	234	+ 7
Hambro Trust	170	+ 35
Hambros	170	+ 20
Imtec	25	+ 4
Kode Int	105	+ 20
Laporte Ind	315	+ 7
Legal & Gen	670	+ 25
Lasmo	283	+ 8
Matthews (B)	495	+ 15
N Sea & Gen Oil	90	+ 12
Pittard	119	+ 8
St Burrill Jones	432	+ 12
St Wrightson	653	+ 15
Williams Hldg	373	+ 23

FALLS

Bespak	160	− 65
British Syphon	135	− 9
Freemans	268	− 14
Gates (Frank G)	72	− 11
Mackay (Hugh)	76	− 10
RTZ	565	− 13
Santos	264	− 24
Utd Biscuits	176	− 3

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24 3/8	16	AAR	.56	2.6	14	477	21 1/2	20 7/8	21 3/8	+ 1/8
17 3/8	9 3/4	AGS			13	203	16 1/4	15 7/8	16 1/4	+ 1/4
16 1/2	9 5/8	AMCA				30	10 1/8	10	10	− 1/4
21 1/2	13	AMF	.25j		96	478	13 1/2	13 3/8	13 1/2	
50 3/4	26 1/4	AMR			7	7966	41	39 3/4	40 3/4	+ 1
23 5/8	18 5/8	AMR pf2.18		9.3		3	23 3/8	23 1/4	23 3/8	+ 1/8
22	18	ANR pf 2.12		11.		3	19 1/4	19 1/4	19 1/4	− 1/4
14 1/4	7 5/8	APL				6	8 3/4	8 3/4	8 3/4	+ 1/8
61 1/8	34 3/4	ASA	2	5.4		278	37 1/8	36 5/8	36 7/8	− 3/8
27	11 5/8	AVX	.32	2.7	17	68	12 1/8	11 3/4	12	+ 1/4
28 1/8	19 1/4	AZP	2.72	12.	7	3124	23 3/4	23 1/2	23 5/8	
60	36 3/4	AbtLab 1.40		2.6	15	866	55	54	54 7/8	+ 5/8
25 7/8	20	AccoWd .50		2.4	16	214	21	20 3/4	20 7/8	+ 1/8
24 3/4	12 1/2	AcmeC .40		2.9		121	13 3/4	13 5/8	13 3/4	
10 1/2	7 3/8	AcmeE .32b		4.1	11	16	7 7/8	7 3/4	7 3/4	
19	15 1/2	AdaEx 1.92e		11.		48	17 1/4	17	17	− 1/8
20	13 1/2	AdmMl .32		1.8	7	14	17 3/8	17 1/8	17 3/8	+ 1/4
17 3/4	6 5/8	AdvSys .53t		4.1	18	363	12 7/8	12 3/8	12 7/8	+ 5/8
40 3/8	22 1/8	AMD			16	4128	27 1/2	26	27 1/8	+ 1 1/8
12 1/8	6 7/8	Advest .12		1.4	20	111	8 7/8	8 5/8	8 7/8	+ 1/8
15 7/8	8 1/2	Aerflex			11	224	13	12 3/4	12 7/8	
45 5/8	32 5/8	AetnLf 2.64		6.1	15	6917	43 1/2	42 5/8	43 1/4	+ 1/4
57 1/2	52 3/8	AetL pf5.79e		10.		23	55 1/2	55 1/4	55 1/2	+ 1/4
37 3/8	20 1/2	Ahmns 1.20		4.0	8	1090	29 7/8	29 3/8	29 3/4	+ 3/8
3 5/8	2 1/2	Aileen				63	2 5/8	2 1/2	2 5/8	
57	42	AirPrd 1.20		2.3	12	304	52 3/8	51 7/8	52	− 1/4
24 3/8	16	AirbFrt .60		2.7	13	79	22 1/2	22 1/2	22 1/2	− 1/8

Continued on Page 37

NYSE COMPOSITE CLOSING PRICES

Continued from Page 36

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
66	40	Rohrin				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27¼	13⅛	RolnCm .40		1.7	29	405	24⅛	23½	23⅞	−⅜
36⅝	10¾	RolinE s .10		.5	18	626	21	19⅞	20⅝	−¼
12⅝	8¾	Rollins .48		4.0	17	103	11¾	11½	11½	
3⅞	2	Ronson				62	2¼	2⅛	2⅛	
19	11	Roper .64		5.5		50	11¾	11½	11⅝	+⅛
41¼	24	Rorer 1.12		2.7	20	4961	u42⅞	40	42¼	+1⅜
12½	7⅝	Rowan .12		1.5	49	1948	7⅞	7⅝	7¾	−⅛
62⅞	46	RoylD 3.29e		5.6	6	2617	58¾	58¼	58½	+⅝
17	10⅛	Roylnt s			16	1337	14	13½	13¾	−⅜
28⅞	18¾	Rubmds				246	26⅛	25⅞	26⅛	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock	Sales (Hunds)	High	Low	Last	Chng
[illegible]					

Continued on Page 35

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Nervousness ahead of decision day

A RENEWED burst of selling on Wall Street died away at mid-session yesterday, when the blue-chip stocks made a successful, if somewhat technical, recovery, *writes Terry Byland in New York.*

The approaching termination date for the September futures contracts on market indices was an additional reason for nervousness. Bond prices gave ground again after news of a sharp jump in August housing starts.

After falling by more than 8 Dow points in early trading, the stock market steadied, to show a mixed picture, with losses still in the majority. Firmness in the blue chips left the Dow Jones industrial average with a net gain of 2.24 points at 1300.40, with 106.3m shares traded.

Turnover in stocks remained high, and prices were easier across the broad range of the market. The stock market faces a day of decision tomorrow, when the closing of September futures contracts on stock market indices coincides with the Commerce Department's disclosure of its latest GNP forecasts. Weakness in the futures markets prompted further selling yesterday.

The Dow Average suffered through a sharp fall in Merck, the pharmaceutical leader, a principal component of the index. Merck was $5 off at one time on reports of bearish comments from two leading brokerage houses. But at least one big Wall Street trader remained bullish on Merck and the stock steadied to $108¾, a net $2½ down.

AT&T edged up by $⅛ to $20¾ after a favourable ruling from the Federal Communications Commission on its equipment manufacturing divisions.

The computer sector brightened as Control Data recouped $1⅛ of its fall to stand at $18¾. IBM added $1 to $127¾, Honeywell $1⅛ to $62¼ and Burroughs $⅜ to $63⅜.

Brisk trading in airline stocks enabled American to recoup $1⅛ to $40⅞ and United $½ to $49⅝. Aerospace and defence stocks remained uneasy, with General Dynamics $⅛ off at $70¼ and Lockheed $¼ down at $47⅞. The firm spot was McDonnell Douglas, which recouped $1⅞ of its recent loss to stand at $72⅝. Also firm was Grumman, the Long Island defence and passenger vehicle manufacturer, $1⅛ higher at $35½.

Car stocks remained friendless although General Motors at $67⅞ were $⅛ after rallying from some initial selling linked to index futures programmes. Ford shed $⅝ to $43⅝.

In mixed chemicals, Union Carbide lost $⅜ to $52⅝, while Monsanto, still lacking supporters, gained $1⅛ to $47¼.

Among takeover stocks, Richardson-Vicks dropped $5 at first, as the board's strengthening of its takeover defences seemed to weaken Unilever's chances of winning the battle for control of the company. But the stock steadied to $49, down $1⅛, after Unilever sought a legal ban on the dividends intended as part of the directors' plans. Unilever will pay only $48 a share if the Richardson board continues its opposition.

SCM, down $¼ at $72⅝, continued to await the full legal hearing of the company's suit against Hanson Trust of the UK, which still holds a 25 per cent stake after ending its bid for the company.

The downswing in interest rates over the past week helped utility stocks. There were buyers again for Consolidated Edison, the New York area electrical utility, which added $¼ to $33⅞.

In the credit market, Federal Funds stayed comfortably below 8 per cent, with the Federal Reserve helping to keep them there by purchasing $500m bills on its customer accounts. T bill rates dipped by a few basis points, bringing the net fall over the past week to around 14 basis points.

But the delay in gaining Senate approval for the new debt ceiling was a further reason for nervousness in the bond market. The Treasuries market may now expect the Federal refunding programme to emerge in mid-October when it might clash with the year-end funding by U.S. corporations. Bonds gave up half a point as the market braced itself for tomorrow's "flash" estimate of GNP growth from the Commerce Department.

LONDON

Light rally after early weakness

BLUE-CHIP industrials suffered a further mark-down in London yesterday, hampered by nervousness over Wall Street's poor overnight performance.

Leading shares, plagued by uncertainties ahead of next month's Opec oil ministers' meeting, continued lower as dealers took defensive action. Very little selling materialised, however, and institutional investors, attracted by the cheaper levels, bought fairly large lines of shares in selected leaders.

Business thereafter was thin, with interest again largely confined to company trading statements or special situations. The FT Ordinary share index closed the session 1.9 lower at 1,000.8.

Gilts remained in the doldrums. Encouraged late on Tuesday by the better PSBR figure for August than expected, potential investors were deterred by a fresh early setback in the pound.

Chief price changes, Page 35; Details, Page 34; Share information service, Pages 32-33.

EUROPE

Belgian tax hopes fuel rise to peak

HEIGHTENED expectation that the Belgian Government might extend tax legislation aimed at stimulating investment in domestic equities yesterday provided the impetus for another surge among shares in Brussels.

The stock exchange index reached its second consecutive record, adding 16.26 to 2,472.65 and lifting the advance during the past two days to 40.91.

Hopes that the legislation offering tax breaks to investors in Belgian equities might be prolonged beyond December 31 received new life after a statement by M Guy Spitaels, leader of the Socialist Party, that he would support an extension.

Petrofina consolidated Tuesday's BFr 70 rise with a BFr 20 increase to BFr 6,230, although turnover was lighter than in the previous session.

Retailers were well supported throughout the day, led by GB-Inno, which added BFr 95 to BFr 4,220 with Delhaize close behind with a BFr 50 improvement to BFr 8,350.

Frankfurt suffered profit-taking during the afternoon, which sharply reduced the earlier price improvements, although many leading issues closed higher on the day.

The Commerzbank index, which is calculated at mid-session, did not reflect the afternoon selling and closed at its second consecutive all-time high with a 7.1 rise to 1,541.1.

News that West German car registrations fell 4.4 per cent in August compared with the same month last year left the sector prey to investors wanting to pick up profits.

Daimler took the hardest fall, ending DM 12.50 lower at DM 976.50, followed by VW, down DM 6 to DM 339, and BMW, off DM 3.50 at DM 497.50.

Chemicals, an exception, remained in demand for most of the session. BASF added another DM 2.90 to DM 230.40 while the rights that started trading on Tuesday firmed 35pfg to DM 2.75.

Hoechst added DM 1.10 to DM 223.80 and Bayer DM 1 to DM 226.80.

Siemens, which was keenly sought on Tuesday, slipped back during late trading to end 50pfg higher at DM 607.50, while among other electricals, AEG fell DM 2.20 to DM 144.80 and Nixdorf eased DM 1.60 to DM 579.50.

Although the Dutch budget was well received, investors in Amsterdam remained cautious, with the gaze more fixed on Wall Street.

Consumer product groups received some encouragement from the budget with price movements marginal.

Insurers were firmer. Aegon added 30 cents to Fl 97.30, Amev 70 cents to Fl 305.20 and Nationale 50 cents to Fl 75.30.

Among internationals, Royal Dutch/Shell eased 50 cents to Fl 189.50, Akzo 10 cents to Fl 125.30 and Philips 10 cents to Fl 50.10.

Paris tended lower, with losses holding a clear advantage on gains in thin trading. Favourable news on France's trading position was offset by bleak employment figures.

Avions Dassault stood out on increasing anticipation that the company would be chosen to lead the consortium to build Europe's space shuttle. The shares added FFr 120 to FFr 1,125.

Hope of a computer contract with the U.S. military fuelled interest in Thomson and left it FFr 26 higher at FFr 560.

Shares in Zurich closed broadly lower with turnover again well down on recent levels. The market also remained vulnerable to profit-takers after its strength earlier this month.

Stockholm closed mixed in dull trading with institutional investors again on the sidelines. Profit-taking trimmed prices in Milan, and Madrid was also on the downturn.

CANADA

TORONTO shares were mixed, although it recovered some losses from the previous day's largest single-session fall for more than two years.

Active issues among oil and gas shares included Merland Explorations, which traded down 20 cents at C$3.30, Geocrude, off 10 cents at C$3.40 and Gulf Canada, C$⅛ easier at C$19⅜.

Golds continued lower on the back of an easier world bullion price. Lac Minerals lost C$⅜ to C$32⅝, Echo Bay fell C$⅛ to C$16½, while Dome Mines added C$⅛ to C$12⅛.

Montreal stocks reversed their recent decline and banks and industrials rose with Power Corporation C$¼ ahead at C$17⅛.

SOUTH AFRICA

AFTER a firmer start, gold issues in Johannesburg turned easier as the bullion price returned to a level near its overnight lows.

Driefontein ended unchanged at R49.25 amid reports of higher pre-tax profits for the year ended June 30. Vaal Reefs shed R3 to R187.50 and Blyvoor gave up 25 cents to R14.

Elsewhere, Anglo American was up 75 cents at R33, FS Geduld was steady at R56 while Highveld Steel eased 10 cents to R5.15.

TOKYO

Absence of four brokers a dampener

MITSUBISHI Heavy Industries continued to attract large buying orders in Tokyo yesterday, but other issues fell across a wide front during cautious trading, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow average dropped 117 points at one stage but made a late recovery on rumours that the Tokyo Stock Exchange would relax margin trading regulations. The index finished at 12,529.66, down 61.85. The exchange later denied that it intended to make the change.

Turnover totalled 426.14m shares, compared with 407.03m on Tuesday. Losses outnumbered gains 518 to 287, with 163 issues unchanged.

Activity was dampened by the absence of the four largest brokers as they prepared for strategy meetings this week to talk about the new business year starting in October. Wall Street's overnight weakness also slowed the pace.

Mitsubishi Heavy Industries remained the busiest stock, with 46.62m shares changing hands, but added only Y1 to Y434 after profit-taking pressure. Nikko Securities said that in trading of the issue from July 1 to September 12, corporations registered net buying of 24.70m shares, investment trusts 19.25m and foreign investors 13.95m. Most selling was done by individual investors.

Encouraged by Mitsubishi's active trading, investors also bought other large-capital issues. Kawasaki Heavy Industries gained Y4 to Y236 on the second heaviest volume of 29.87m shares and Kawasaki Heavy Industries rose Y2 to Y201.

Issues related to electrical equipment investment climbed higher. Osaka Transformer jumped Y34 to Y528 and Takaoka Electric Y37 to Y470.

The passage by a U.S. Senate committee of a bill calling for opening of the Japanese communications equipment market pushed down blue-chip electricals. Hitachi lost Y9 to Y651, while Sony fell Y110 to Y3,590. NEC closed Y22 lower at Y964.

Among biotechnologies, Dainippon Pharmaceutical went up Y80 to Y3,080, but Yamanouchi Pharmaceutical and Green Cross shed Y30 each to Y3,010 and Y2,070 respectively.

A cautious mood prevailed on the bond market after Tuesday's steep rise.

AUSTRALIA

INVESTORS were absent in Sydney ahead of the release today of the Government's new tax reforms, which are expected to include a capital gains tax, an increase in the corporate tax rate and a tax on employee fringe benefits.

The All Ordinaries share index saw its largest one-day fall since October 1983, ending 16.3 lower at 945.5.

Media stocks were especially hit with News Corporation 30 cents easier at A$6.70 and Fairfax and the Herald and Weekly Times down 20 cents each at A$8.20 and A$4.75, respectively.

Elsewhere, Bell Group lost 50 cents to A$9.30 after its rise in the previous session on the back of higher profits for the year. Adsteam gave up 20 cents to A$9.10 and Elders lost 9 cents to A$3.35.

HONG KONG

EXPECTATIONS that Sir John Bremridge, Hong Kong's Financial Secretary, will next week revise downward his forecast on the colony's growth in gross national product weighed heavily on prices that ended the session mixed.

Overseas investors were among the principal sellers yesterday, as they were on Tuesday when share prices dropped sharply.

Hongkong Bank, which saw some heavy selling, eased 5 cents to HK$7.20 and Hang Seng dropped 50 cents to HK$42.50.

In other market leaders, Hongkong Land, Hutchison Whampoa and Swire Pacific all gave up 10 cents to HK$6.05, HK$26.10 and HK$24.40 respectively.

SINGAPORE

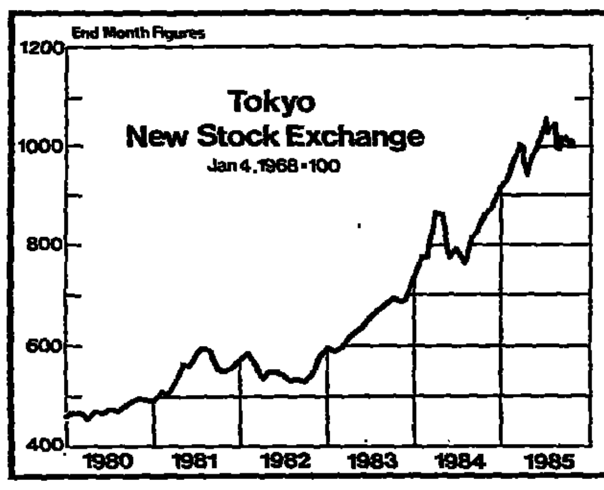
BUY ORDERS from local institutions boosted prices in Singapore yesterday although gains were pared later in the session when some investors elected to take their profits.

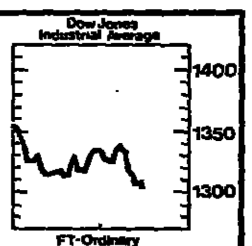
Fluctuations in the local currency, however, worried investors, some of whom believe the stronger currency is a bad thing because it does not accurately reflect the economy.

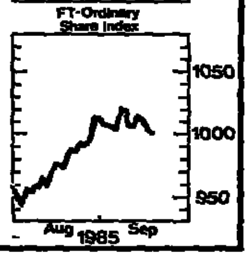
Promet, one of Tuesday's most active stocks, was again the day's most notable feature. It ended 16 cents higher at S$1.42 after 5.8m shares changed hands – nearly 19 per cent of the day's total turnover.

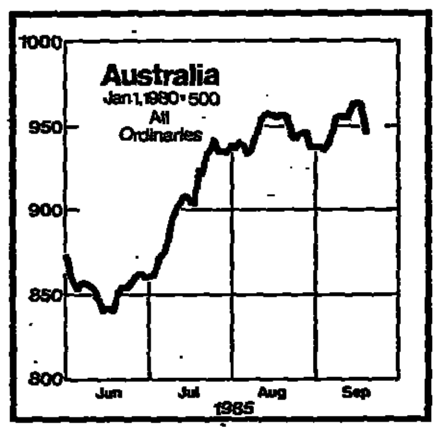
Banks recorded favourable gains. DBS rose 15 cents to S$5.20, OUB 13 cents to S$2.76 and both UOB and OCBC 10 cents each to S$3.52 and S$8.00 respectively.

KEY MARKET MONITORS









STOCK MARKET INDICES

NEW YORK	Sept 18	Previous	Year ago
DJ Industrials	1,300.40	1,298.16	1,226.26
DJ Transport	648.29	646.07	521.37
DJ Utilities	153.31	153.16	133.16
S&P Composite	181.71	181.36	167.65
LONDON	Sept 18	Previous	Year ago
FT Ord	1,000.8	1,002.7	871.8
FT-SE 100	1,294.8	1,298.0	1,109.9
FT-A All-share	628.98	629.43	529.51
FT-A 500	690.25	690.91	578.10
FT Gold mines	316.4	315.4	526.2
FT-A Long gilt	10.39	10.38	10.38
TOKYO			
Nikkei-Dow	12,529.66	12,591.51	10,559.1
Tokyo SE	1,003.70	1,009.20	817.08
AUSTRALIA			
All Ord.	945.4	962.0	718.2
Metals & Mins.	511.0	524.8	426.0
AUSTRIA			
Credit Aktien	100.28	100.30	54.22
BELGIUM			
Belgian SE	2,472.65	2,456.39	–
CANADA	Sept 18	Prev	Yr ago
Toronto			
Metals & Minls	1,896.9*	1,904.45	1,976.1
Composite	2,648.5*	2,651.58	2,400.4
Montreal			
Portfolio	129.38*	129.29	118.89
DENMARK			
SE	n/a	216.59	177.31
FRANCE			
CAC Gen	218.0	217.8	173.9
Ind. Tendance	123.0	123.3	113.2
WEST GERMANY			
FAZ-Aktien	522.64	519.74	362.59
Commerzbank	1,541.1	1,534.0	1,048.7
HONG KONG			
Hang Seng	1,563.62	1,569.40	974.92
ITALY			
Banca Comm.	399.17	399.85	214.11
NETHERLANDS			
ANP-CBS Gen	220.0	220.0	174.1
ANP-CBS Ind	192.1	192.0	136.3
NORWAY			
Oslo SE	365.99	364.88	262.97
SINGAPORE			
Straits Times	766.95	757.60	896.82
SOUTH AFRICA	Sept 18	Prev	Yr Ago
JSE Golds	–	1,038.0	911.5
JSE Industrials	–	946.1	851.0
SPAIN			
Madrid SE	109.00	109.45	147.39
SWEDEN			
J & P	1,386.88	1,374.21	1,451.42
SWITZERLAND			
Swiss Bank Ind	491.7	493.8	378.0
WORLD	Sept 17	Prev	Yearago
Capital Int'l	212.2	212.8	184.2

GOLD (per ounce)

	Sept 18	Prev
London	$315.00	$318.00
Zürich	$316.65	$317.45
Paris (fixing)	$316.86	$319.20
Luxembourg	$315.50	$318.75
New York (Dec)	$319.80	$321.50

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 18	Previous	Sept 18	Previous
$	–	–	1.336	1.3395
DM	2.903	2.892	3.8775	3.875
Yen	242.1	241.65	323.5	323.75
FFr	8.86	8.81	11.8375	11.8
SwFr	2.388	2.38	3.19	3.1875
Guilder	3.259	3.2525	4.355	4.3575
Lira	1,944.0	1,929.0	2,597.0	2,584.0
BFr	58.65	58.25	78.35	78.0
C$	1.37775	1.37655	1.841	1.8425

INTEREST RATES

Euro-currencies (3-month offered rate)	Sept 18	Prev
£	11⁹⁄₁₆	11½
SwFr	4¹¹⁄₁₆	4⅝
DM	4½	4⁹⁄₁₆
FFr	9¹³⁄₁₆	10
FT London Interbank fixing (offered rate)		
3-month U.S.$	8¼	8⁵⁄₁₆
6-month U.S.$	8½	8⁹⁄₁₆
U.S. Fed Funds	7¾	7¾
U.S. 3-month CDs	7.85	7.85
U.S. 3-month T-bills	7.095	7.18

U.S BONDS

Treasury		Sept 17* Price	Yield	Prev Price	Yield
8⅞	1987	99²⁴⁄₃₂	9.009	99²³⁄₃₂	9.03
10⅜	1992	100¹⁵⁄₃₂	10.26	100¹⁵⁄₃₂	10.26
10½	1995	100¹⁵⁄₃₂	10.420	100¹⁶⁄₃₂	10.40
10⅝	2015	99²⁰⁄₃₂	10.664	99²⁴⁄₃₂	10.64

Corporate	Sep 18* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	99¾	10.45	99½	10.50
3⅞ July 1990	81½	8.70	81⅛	8.65
8¾ May 2000	82⅞	11.15	82½	11.20
Xerox				
10⅞ Mar 1993	98½	10.92	98¼	10.95
Diamond Shamrock				
10⅜ May 1993	96½	11.32	98⅛	11.00
Federated Dept Stores				
10⅜ May 2013	92¾	11.50	97	11.60
Abbot Lab				
11.80 Feb 2013	100⅝	11.60	100⅝	11.75
Alcoa				
12¼ Dec 2012	98¾	12.40	98¾	12.40

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	76-05	76-11	76-01	76-06
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	93.02	93.03	92.92	92.89
Certificates of Deposit (IMM) $1m points of 100%				
Sept	92.03	92.09	92.05	92.05
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	91.38	91.44	91.37	91.46
20-year Notional Gilt £50,000 32nds of 100%				
Dec	111-20	111-22	111-13	111-21

COMMODITIES

(London)	Sept 18	Prev
Silver (spot fixing)	441.00p	448.75p
Copper (cash)	£1,009.00	£1,011.00
Coffee (Sept)	£1,684.00	£1,657.50
Oil (spot Arabian Light)	$27.30	$27.45